

## **INDEPENDENT AUDITORS' REPORT**

**To The Members of SUDHA BIO POWER PRIVATE LIMITED**

**Report on the Audit of the Ind AS Financial Statements**

### **Opinion**

We have audited the accompanying Ind AS financial statements of **Sudha Bio Power Private Limited** ("the Company"), which comprise the balance sheet as at 31 March 2020, the statement of profit and loss (including other comprehensive income), the statement of cash flows and the statement of changes in equity for the year then ended, and notes to the Ind AS financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "Ind AS financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Companies Act, 2013 ('the Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2020, and its profits (including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

### **Basis for opinion**

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the "Auditor's Responsibilities for the Audit of the Ind AS Financial Statements" section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the Ind AS financial statements under the provision of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for opinion.

### **Information other than the Ind AS Financial Statements and Auditors' Report Thereon**

The Company's management and Board of Directors are responsible for the preparation of the other information. The other information comprises the information included in the Company's annual report, but does not include the Ind AS financial statements and our auditors' report thereon.

Our opinion on the Ind AS financial statements does not cover the other information, and accordingly, we do not express any form of assurance conclusion thereon.

In connection with our audit of the Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Ind AS financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.



### **Management's Responsibility for the Ind AS Financial Statements**

The Company's management and Board of Directors are responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these Ind AS financial statements that give a true and fair view of the state of affairs (financial position), profit or loss (financial performance including other comprehensive income), cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Ind AS financial statements, management and Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the company's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Ind AS Financial Statements**

Our objectives are to obtain reasonable assurance about whether the Ind AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Ind AS financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentation, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.



- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Ind AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Ind AS financial statements, including the disclosures, and whether the Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

#### **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report, to the extent applicable, that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - (c) The balance sheet, the statement of profit and loss (including other comprehensive income), the statement of cash flows and the statement of changes in equity dealt with by this report are in agreement with the books of account;
  - (d) In our opinion, the aforesaid Ind AS financial statements comply with the Indian Accounting Standards specified under section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended.
  - (e) On the basis of written representations received from the directors as on 31 March 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2020 from being appointed as a director in terms of Section 164 (2) of the Act;



- (f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls have not been commented upon in this report.  
As the company is a small company/ private company to which exemption notification dated 13, June 2017 is applicable.
- (g) With respect to the other matters to be included in the Auditors' Report in accordance with the requirements of section 197(16) of the Act, as amended.  
In our opinion and to the best of our information and according to the explanations given to us, the company has paid remuneration to its directors during the year in accordance with the provisions of and limits laid down under section 197 read with the schedule V of the Act.
- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
- (i) The Company has disclosed the impact of pending litigations on its financial position in the financial position;
  - (ii) The Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses;
  - (iii) The company does not have any dues on account of Investor Education and Protection Fund.

For **NGC & Associates**  
Chartered Accountants  
ICAI Firm Registration No.: 0033401N



**Dharmender Singhal**  
Partner  
Membership No.: 515984  
UDIN: 20515984AAA KL4642



Place: New Delhi  
Date: 03.09.2020



## **ANNEXURE "A" TO THE INDEPENDENT AUDITORS' REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF SUDHA BIO POWER PRIVATE LIMITED**

The Annexure referred to in the Independent Auditor's Report to the members of the Company on the Financial Statements for the year ended 31<sup>st</sup> March 2020, We report that:

1. (a) According to the information and explanations given to us, the Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.

(b) According to the Information & Explanation given to us, The Company has a regular programme for physical verification in a phased periodic manner, which, in our opinion, is reasonable having regards to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.

(c) According to information and explanations given by the management, the title deeds/lease deeds of immovable properties included in property, plant and equipment are held in the name of the Company.

2. According to the information and explanations given to us, the inventories have been physically verified by the management at reasonable intervals;

In our opinion and according to the information and explanations given to us, the company has maintained proper records of its inventory and no material discrepancies were noticed on physical verification.

3. In our opinion and according to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the register maintained under Section 189 of the Companies Act, 2013 ('the Act'). Accordingly, paragraph 3(iii) of the Order is not applicable to the Company.

4. According to the information and explanations given to us, and on the basis of our examination of the records of the company, the Company has complied with the provisions of section 185 and 186 of the Act, with respects to the loans and investments made;

5. The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable to the Company.

6. According to the information and explanations given to us, the Company has maintain the cost records specified by the Central Government under sub section (1) of Section 148 of the Companies Act, 2013 for the business activities carried out by the company, However we have not made detailed examination of these records with view to determining whether they are accurate or complete

7. (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted /accrued in the books of



accounts in respect of undisputed statutory dues including Provident fund, Employees' State Insurance, Income-tax, Sales-tax, Goods and Services tax, Duty of Custom, Duty of Excise, Value Added Tax, Cess and Other Statutory Dues have generally been regularly deposited during the year with appropriate authorities, except for slight delays in few cases.

(b) According to the information and explanations provided to us, no undisputed amounts payable in respect of Provident fund, Employees' State Insurance, Income-tax, Sales Tax, Goods and Service tax, Duty of custom, Duty of excise, Value added tax, Cess and Other Statutory Dues were outstanding, at the year end, for a period of more than six months from the date they became payable.

(c) According to the information and explanations given to us, there are no dues of Income Tax, Sales Tax, Value Added Tax, Service Tax, Duty of Customs, Duty of Excise, Goods and Service Tax and Cess which have not been deposited with the appropriate authorities on account of any dispute.

8. In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to its bankers and financial institutions. The Company did not have any borrowings from government and debenture holders during the year.
9. According to the information and explanations given to us, the Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and the term loans taken by the Company have been applied for the purpose for which they were raised.
10. According to the information and explanations provided by the management, we report that no fraud by the Company or no material fraud on the Company by the officers and employees of the Company has been noticed or reported during the year.
11. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the company has paid remuneration to its directors during the year in accordance with the provisions of and limits laid down under section 197 read with Schedule V of the Act.
12. In our opinion, the Company is not a nidhi company. Therefore, the provisions of clause 3(xii) of the Order are not applicable to the Company and hence not commented upon.
13. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with section 188 of the Act where applicable and details of such transactions have been disclosed in the Ind AS financial statements as required by the applicable Indian Accounting Standards. Further, according to the information and explanations given to us and based on our examination of the records of the Company, provisions of section 177 of the Act are not applicable to the company.
14. According to the information and explanations provided to us and on an overall examination of the balance sheet, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review



and hence, reporting requirements under clause 3(xiv) of the Order are not applicable to the Company and, not commented upon.

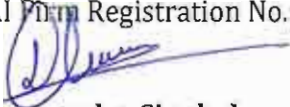
15. According to the information and explanations provided by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in Section 192 of the Act.

16. According to the information and explanations provided to us, the provisions of Section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

For **NGC & Associates**

Chartered Accountants

ICAI Firm Registration No.: 0033401N



**Dharmender Singhal**

Partner

M. No:- 515984

UDIN:- 20515984AAAAKL4645



New Delhi

Date:-03.09.2020

**SUDHA BIO POWER PRIVATE LIMITED**

Balance sheet as at 31 March 2020

(All amounts are in Lakhs, unless otherwise stated)

|   | Note | As at<br>31 March 2020 | As at<br>31 March 2019 |
|---|------|------------------------|------------------------|
| <b>ASSETS</b>   |      |                        |                        |
| <b>(1) Non-current assets</b>   |      |                        |                        |
| (a) Property, plant and equipment                                       | 3    | 1,411.25               | 1,453.70               |
| (b) Capital work in progress  | 3    | -                      | 9.90                   |
| (c) Intangible assets (Goodwill)  | 3    | 476.95                 | 476.95                 |
| (d) Financial assets  |      |                        |                        |
| (i) Loans   | 4    | 688.59                 | 659.68                 |
| (ii) Investments  | 5    | 343.47                 | 717.42                 |
| (ii) Other financial assets   | 6    | 42.31                  | 102.63                 |
| <b>Total non-current assets</b>   |      | <b>2,962.57</b>        | <b>3,420.28</b>        |
| <b>(2) Current assets</b>   |      |                        |                        |
| (a) Inventories   | 7    | 376.47                 | 617.43                 |
| (b) Financial assets  |      |                        |                        |
| (i) Trade receivables   | 8    | 1,489.31               | 1,039.69               |
| (ii) Cash and cash equivalents  | 9    | 98.27                  | 73.33                  |
| (iii) Other financial assets  | 10   | 533.30                 | 3.32                   |
| (c) Other current assets  | 11   | 51.57                  | 296.59                 |
| <b>Total current assets</b>   |      | <b>2,548.92</b>        | <b>2,030.36</b>        |
| <b>TOTAL ASSETS</b>   |      | <b>5,511.49</b>        | <b>5,450.64</b>        |
| <b>EQUITY AND LIABILITIES</b>   |      |                        |                        |
| <b>(1) Equity</b>   |      |                        |                        |
| (a) Equity share capital  | 12   | 901.00                 | 901.00                 |
| (b) Other equity  | 13   | 2,172.14               | 2,191.09               |
| <b>Total equity</b>   |      | <b>3,073.14</b>        | <b>3,092.09</b>        |
| <b>(2) Non-current liabilities</b>                                      |      |                        |                        |
| (a) Financial liabilities   |      |                        |                        |
| (i) Borrowings  | 14   | 293.56                 | 573.81                 |
| (b) Provisions  | 15   | 35.19                  | 27.80                  |
| (c) Deferred tax liabilities (net)                                      | 16   | 244.65                 | 163.77                 |
| <b>Total non current liabilities</b>                                    |      | <b>573.40</b>          | <b>765.38</b>          |
| <b>(3) Current liabilities</b>  |      |                        |                        |
| (a) Financial liabilities   |      |                        |                        |
| (i) Borrowings  | 17   | 678.72                 | 589.82                 |
| (ii) Trade payable  |      |                        |                        |
| Total outstanding dues of micro & small enterprise                      | 18   | 2.05                   | 9.55                   |
| Total outstanding dues of creditors other than micro & small enterprise | 18   | 798.99                 | 398.21                 |
| (iii) Other financial liabilities                                       | 19   | 222.60                 | 501.38                 |
| (b) Other current liabilities   | 20   | 19.96                  | 9.19                   |
| (c) Provisions  | 21   | 142.63                 | 85.02                  |
| <b>Total current liabilities</b>  |      | <b>1,864.95</b>        | <b>1,593.17</b>        |
| <b>TOTAL EQUITY AND LIABILITIES</b>                                     |      | <b>5,511.49</b>        | <b>5,450.64</b>        |

**Background & Significant Accounting Policies**

The accompanying notes form an integral part of the financial statements.

1 & 2

As per our report of even date attached

For NGC & Associates

Chartered Accountants

Firm Registration No.: 033401N

**Dharmender Singhal**

Partner

Membership No.: 515984



For and on behalf of the Board of Directors of  
Sudha Bio Power Private Limited

**Saurabh Sindhu**

Director

DIN: 02291158

**Yashpal Saharan**

Director

DIN: 00824167

**Alka Dabas**

Company Secretary

PAN: BTDPD4203P

Place : New Delhi

Date : 03.09.2020



**SUDHA BIO POWER PRIVATE LIMITED**

**Statement of profit and loss account for the year ended 31 March 2020**

(All amounts are in Lakhs, unless otherwise stated)

|  | Note | For the year ended<br>31 March 2020 | For the year ended<br>31 March 2019 |
|--|------|-------------------------------------|-------------------------------------|
| <b>Income</b>  |      |                                     |                                     |
| I Revenue from operation   | 22   | 4,720.31                            | 4,353.04                            |
| II Other income  | 23   | 80.52                               | 105.54                              |
| <b>III Total income (I+II)</b>   |      | <b>4,800.83</b>                     | <b>4,458.58</b>                     |
| <b>IV Expenses</b>   |      |                                     |                                     |
| Cost of material consumed  | 24   | 3,083.24                            | 3,097.18                            |
| Employee benefit expenses  | 25   | 334.87                              | 315.90                              |
| Finance cost   | 26   | 148.69                              | 234.12                              |
| Depreciation   | 3    | 120.29                              | 90.67                               |
| Other expenses   | 27   | 499.27                              | 344.56                              |
| <b>Total Expenses</b>  |      | <b>4,186.36</b>                     | <b>4,082.43</b>                     |
| <b>V Profit/(loss) before tax (III-IV)</b>   |      | <b>614.47</b>                       | <b>376.15</b>                       |
| <b>VI Tax expense:</b>   |      |                                     |                                     |
| -Current tax   |      | 138.48                              | 81.54                               |
| -Deferred tax charge/(credit)  | 16   | 175.28                              | 27.20                               |
| -Income tax for earlier years  |      | 38.98                               | -                                   |
|  |      | <b>352.74</b>                       | <b>108.74</b>                       |
| <b>VII Profit/ (Loss) for the year (V-VI)</b>                                      |      | <b>261.73</b>                       | <b>267.41</b>                       |
| <b>VIII Other comprehensive income/(loss)</b>                                      |      |                                     |                                     |
| Items that will not be reclassified subsequently to profit or loss                 |      |                                     |                                     |
| - Change in fair value of equity instruments through OCI                           |      | (373.95)                            | 37.42                               |
| - Net actuarial gains/(losses) on defined benefit plans                            |      | (1.13)                              | (0.21)                              |
|  |      | <b>(375.08)</b>                     | <b>37.21</b>                        |
| Income tax relating to above items that will not be reclassified to profit or loss | 16   | 94.40                               | (10.41)                             |
|  |      | <b>(280.68)</b>                     | <b>26.80</b>                        |
| <b>IX Total comprehensive income/(loss) for the year (VII-VIII)</b>                |      | <b>(18.95)</b>                      | <b>294.21</b>                       |
| <b>Earning per equity share (Face value of Rs. 10 each)</b>                        |      |                                     |                                     |
| (1) Basic  | 28   | 2.90                                | 2.97                                |
| (2) Diluted  |      | 2.90                                | 2.97                                |

The accompanying notes form an integral part of the financial statements.

As per our report of even date attached

**For NGC & Associates**

Chartered Accountants

Firm Registration No.: 033401N

**Dharmender Singhal**

Partner

Membership No.: 515984



For and on behalf of the Board of Directors of  
**Sudha Bio Power Private Limited**

**Saurabh Sindhu**

Director

DIN: 02291158

**Yashpal Saharan**

Director

DIN: 00824167

Place : New Delhi

Date : 03.09.2020

**Ajita Dabas**

Company Secretary

PAN: BTDPD4203P

**SUDHA BIO POWER PRIVATE LIMITED****Statement of changes in equity for the year ended 31 March 2020**

(All amounts are in Lakhs, unless otherwise stated)

**a. Equity share capital**

|   |        |
|---|--------|
| Balance as at 1 April 2018                              | 901.00 |
| Changes in equity share capital during the year 2018-19 | -      |
| Balance as at 31 March 2019                             | 901.00 |
| Changes in equity share capital during the year 2019-20 | -      |
| Balance as at 31 March 2020                             | 901.00 |

**b. Other equity**

| Particulars   | Other Equity (Refer Note 13) |  | Total          |
|---|------------------------------|--|----------------|
|   | Retained earnings            | Items of Other comprehensive income/(loss) |                |
| Balance as at the 1 April 2018                        | 1,896.88                     |  | 1,896.88       |
| Profit/(loss) for the year                            | 267.41                       |  | 267.41         |
| Other comprehensive income/(loss) (net of tax)        | -                            | 26.80                                      | 26.80          |
| <b>Total comprehensive income/(loss) for the year</b> | <b>267.41</b>                | <b>26.80</b>                               | <b>294.21</b>  |
| Balance as at 31 March 2019                           | 2,164.29                     | 26.80                                      | 2,191.09       |
| Balance as at 1 April 2019                            | 2,164.29                     | 26.80                                      | 2,191.09       |
| Profit/(loss) for the year                            | 261.73                       |  | 261.73         |
| Other comprehensive income/(loss) (net of tax)        |                              | (280.68)                                   | (280.68)       |
| <b>Total comprehensive income/(loss) for the year</b> | <b>261.73</b>                | <b>(280.68)</b>                            | <b>(18.95)</b> |
| Balance as at 31 March 2020                           | 2,426.02                     | (253.88)                                   | 2,172.14       |

**Retained earnings**

Retained earnings represent the amount of accumulated earnings of the company.

**Other components of equity**

Other Components of Equity consists of remeasurement of net defined benefit liability/ asset, equity instruments fair valued through other comprehensive income, net of taxes.

As per our report of even date attached

**For NGC & Associates**

Chartered Accountants

Firm Registration No.: 033401N

  
**Dharmender Singhal**  
 Partner


Membership No.: 515984

For and on behalf of the Board of Directors of  
**Sudha Bio Power Private Limited**
  
**Saurabh Sindhu**  
 Director  
 DIN: 02291158

  
**Yashpal Saharan**  
 Director  
 DIN: 00824167

Place : New Delhi

Date : 03.09.2020

  
**Alka Dabas**  
 Company Secretary  
 PAN: BTDPD4203P

**SUDHA BIO POWER PRIVATE LIMITED**

Cash flow statement for the year ended 31 March 2020

(All amounts are in Lakhs, unless otherwise stated)

| Particulars   | For the year ended<br>31 March 2020 | For the year ended<br>31 March 2019 |
|---|-------------------------------------|-------------------------------------|
| <b>A) Cash flow from operating activities</b>                           |                                     |                                     |
| Net profit/(loss) before tax  | 614.47                              | 376.15                              |
| <b>Adjustment for :</b>   |                                     |                                     |
| Depreciation and amortisation   | 120.29                              | 90.67                               |
| Finance cost  | 148.69                              | 234.12                              |
| Interest income   | (35.49)                             | (99.74)                             |
| <b>Operating profit/(loss) before working capital changes</b>           | <b>847.96</b>                       | <b>601.20</b>                       |
| <b>Adjustment for :</b>   |                                     |                                     |
| Increase/ (Decrease) in other financial liabilities                     | (278.78)                            | (108.04)                            |
| Increase/ (Decrease) in long term and short term provisions             | 65.01                               | (6.48)                              |
| Increase/ (Decrease) in other liabilities                               | 10.77                               | (0.61)                              |
| Increase/ (Decrease) in trade payables                                  | 393.28                              | (278.01)                            |
| Decrease/ (Increase) in other assets                                    | 245.02                              | (104.58)                            |
| Decrease/ (Increase) in inventories                                     | 240.96                              | (117.62)                            |
| Decrease/ (Increase) in trade receivables                               | (449.62)                            | (110.48)                            |
| Decrease/ (Increase) in borrowings (current)                            |                                     | 78.53                               |
| Decrease/ (Increase) in other financial assets                          | (529.97)                            | 1,613.71                            |
| <b>Cash generated from operations</b>                                   | <b>544.63</b>                       | <b>1,567.62</b>                     |
| Taxes paid (net)  | 177.46                              | 81.54                               |
| <b>Net cash flow from/(used in) operating activities (A)</b>            | <b>367.17</b>                       | <b>1,486.08</b>                     |
| <b>B) Cash from investing activities</b>                                |                                     |                                     |
| Purchase of property, plant and equipment / capital work-in-progress    | (67.94)                             | (190.80)                            |
| Investments made in Security Deposit                                    | (28.91)                             | (680.00)                            |
| Interest income   | 35.49                               | 99.74                               |
| FD Matured  | 60.33                               |                                     |
| <b>Net cash used in investing activities (B)</b>                        | <b>(1.04)</b>                       | <b>(771.06)</b>                     |
| <b>C) Cash flow from financing activities</b>                           |                                     |                                     |
| Proceeds from/ (Repayment of) long-term borrowings                      | (191.35)                            | (469.65)                            |
| Finance cost paid   | (148.69)                            | (234.12)                            |
| <b>Net cash flow from financing activities (C)</b>                      | <b>(340.04)</b>                     | <b>(703.77)</b>                     |
| <b>D) Net increase/ (decrease) in cash and cash equivalents (A+B+C)</b> | <b>26.09</b>                        | <b>11.25</b>                        |
| <b>E) Cash and cash equivalents as at the beginning of the year</b>     | <b>73.33</b>                        | <b>62.08</b>                        |
| <b>F) Cash and cash equivalents as at the end of the year</b>           | <b>99.42</b>                        | <b>73.33</b>                        |
| <b>Component of cash and cash equivalents</b>                           |                                     |                                     |
| Balance with banks:   |                                     |                                     |
| - current account   | 91.50                               | 71.17                               |
| Cash in hand  | 6.77                                | 2.16                                |
| <b>Total</b>  | <b>98.27</b>                        | <b>73.33</b>                        |

**Note:**

The cash flow statement has been prepared in accordance with 'Indirect method' as set out in the Ind AS 7 on 'Cash Flow Statements', as specified in the Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rule, 2014.

As per our report of even date attached

**For NGC & Associates**

Chartered Accountants

Firm Registration No.: 033401N

Dharmender Singhal

Partner

Membership No.: 515984

**For and on behalf of the Board of Directors of**

*Saurabh Sindhu*  
Saurabh Sindhu  
Director  
DIN: 02291158

*Yashraj Saharan*  
Yashraj Saharan  
Director  
DIN: 00824167

*Alisa Dabas*  
Alisa Dabas  
Comapny Secretary  
PAN: BTDPD4203P

Place : New Delhi

Date : 03.09.2020

## SUDHA BIO POWER PRIVATE LIMITED

Notes to financial statements for the year ended 31 March 2020

(All amounts are in Lakhs, unless otherwise stated)

### 1 Company information

Sudha Bio Power Private Limited (the 'Company') is a domestic Private Limited Company incorporated in India. The registered office of the Company is located at 16A, Third Floor, Najafgarh Road, Shivaji Marg, Moti Nagar, New Delhi 110015.

The Company is engaged in activities to generate, harness, develop, accumulate, distribute and supply electricity by setting up Bio mass power plants by use of liquid, gaseous or solid fuels for the purpose of light, heat motive power and for all other purposes for which electric energy can be employed.

### 2 (A) Significant accounting policies

#### a) Basis for preparation of financial statements

##### Statement of compliance

The separate financial statements have been prepared to comply in all material aspects with the Accounting Standards notified under Section 133 of Companies Act, 2013 (the "Act") as per Companies (Indian Accounting Standards (Ind AS)) Rules as amended from time to time and other relevant provisions of the Act and rules framed thereunder.

##### Presentation of financial statements

These financial statements have been prepared in Indian Rupee which is the functional currency of the Company.

##### Use of estimates and judgements

The preparation of these financial statements in conformity with the recognition and measurement principles of Ind AS requires the management of the Company to make estimates and assumptions that affect the reported balances of assets and liabilities, disclosures of contingent liabilities as at the date of the financial statements and the reported amounts of income and expense for the periods presented.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and future periods are affected.

Key sources of estimation of uncertainty at the date of the financial statements, which may cause a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are in respect of impairment of investments, useful lives of property, plant and equipment, valuation of deferred tax assets and fair value measurement of financial instruments, these are discussed below. Key sources of estimation of uncertainty in respect of revenue recognition, employee benefits and provisions and contingent liabilities have been discussed in their respective policies.

##### Useful lives of property, plant and equipment

The Company has taken the useful life of property, plant and equipment as per the life given in the Companies Act, 2013.

##### Valuation of deferred tax assets

The Company reviews the carrying amount of deferred tax assets at the end of each reporting period. The policy has been explained under note 2(r).

##### Investment in subsidiaries, associates and joint ventures

The Company has accounted for its investments in subsidiaries, associates and joint venture at cost less impairment loss (if any). The policy has been further explained under note 2(g).

#### b) Property, plant and equipment (including Capital work-in-progress)

Freehold land is carried at historical cost. All other items of property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent cost are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance expenses are charged to profit or loss during the reporting period in which they are incurred.

Assets acquired but not ready for use are classified under Capital work in progress and are stated at cost comprising direct cost and related incidental expenses.





**SUDHA BIO POWER PRIVATE LIMITED**

**Notes to financial statements for the year ended 31 March 2020**

**(All amounts are in Lakhs, unless otherwise stated)**

**c) Depreciation/Amortisation**

Assets in the course of development or construction and freehold land are not depreciated.

Other property, plant and equipment are stated at cost less accumulated depreciation and any provision for impairment. Depreciation commences when the assets are ready for their intended use.

Depreciation is calculated on the depreciable amount, which is the cost of an asset less its residual value. Depreciation is provided at rates calculated to write off the cost, less estimated residual value, of each asset on a written down value basis over its expected useful life as prescribed under Part C of Schedule II of the Companies Act, 2013.

Individual items of assets costing upto Rs. 5,000 are fully depreciated in the year of acquisition.

Major inspection and overhaul costs are depreciated over the estimated life of the economic benefit derived from such costs. The carrying amount of the remaining previous overhaul cost is charged to the statement of profit and loss if the next overhaul is undertaken earlier than the previously estimated life of the economic benefit.

When significant spare parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Depreciation methods, useful lives and residual values are reviewed at each financial year end and changes in estimates, if any, are accounted for prospectively.

**d) Impairment of assets**

Assessment is done at each Balance Sheet date to evaluate whether there is any indication that a non-financial asset may be impaired. For the purpose of assessing impairment, the smallest identifiable group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets, is considered as a cash generating unit. If any such indication exists, an estimate of the recoverable amount of the asset/ cash generating unit is made. Assets whose carrying value exceeds their recoverable amount are written down to their recoverable amount. Recoverable amount is higher of an asset's or cash generating unit's net selling price and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life. A previously recognised impairment loss is increased or reversed depending on changes in circumstances. However, the carrying value after reversal is not increased beyond the carrying value that would have prevailed by charging usual depreciation if there was no impairment.

**e) Cost recognition**

Costs and expenses are recognised when incurred and have been classified according to their nature. The costs of the Company are broadly categorised in employee benefit expenses, cost of equipment and software licences, depreciation and amortisation expense and other expenses. Employee benefit expenses include salaries, incentives and allowances, contributions to provident and other funds and staff welfare expenses. Other expenses mainly include fees to external consultants, facility expenses, travel expenses, communication expenses, bad debts and advances written off, allowance for doubtful trade receivable and advances (net) and other expenses. Other expenses is an aggregation of costs which are individually not material such as commission and brokerage, recruitment and training, entertainment, etc.



**SUDHA BIO POWER PRIVATE LIMITED**

**Notes to financial statements for the year ended 31 March 2020**

**(All amounts are in Lakhs, unless otherwise stated)**

**f) Impairment of assets**

**(i) Financial assets (other than at fair value)**

The Company assesses at each date of balance sheet whether a financial asset or a group of financial assets is impaired. Ind AS 109 requires expected credit losses to be measured through a loss allowance. In determining the allowances for doubtful trade receivables, the Company has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and is adjusted for forward looking information. The expected credit loss allowance is based on the ageing of the receivables that are due and allowance rates used in the provision matrix. For all other financial assets, expected credit losses are measured at an amount equal to the 12-months expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition.

**(ii) Non-financial assets**

**Tangible and intangible assets**

Property, plant and equipment and intangible assets with finite life are evaluated for recoverability whenever there is any indication that their carrying amounts may not be recoverable. If any such indication exists, the recoverable amount (i.e. higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

If the recoverable amount of an asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. An impairment loss is recognised in the statement of profit and loss.

**g) Financial instruments**

A financial instrument is any contract that gives rise to a financial asset in one entity and a financial liability or equity instrument in another entity.

**Financial assets**

**Initial recognition**

In the case of financial assets, not recorded at fair value through profit or loss (FVTPL), financial assets are recognised initially at fair value plus transaction costs that are directly attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

**Subsequent measurement**

**For purposes of subsequent measurement, financial assets are classified in following categories:**

**(a) Financial assets at amortised cost**

Financial assets are subsequently measured at amortised cost if these financial assets are held within a business model with an objective to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates, to cash flows that are solely payments of principal and interest on the principal amount outstanding. Interest income from these financial assets is included in finance income using the effective interest rate ("EIR") method. Impairment gains or losses arising on these assets are recognised in the Statement of Profit and Loss.



## SUDHA BIO POWER PRIVATE LIMITED

Notes to financial statements for the year ended 31 March 2020

(All amounts are in Lakhs, unless otherwise stated)

### (b) Financial assets measured at fair value

Financial assets are measured at fair value through other comprehensive income (FVOCI) if these financial assets are held within a business model with an objective to hold these assets in order to collect contractual cash flows or to sell these financial assets and the contractual terms of the financial asset give rise on specified dates, to cash flows that are solely payments of principal and interest on the principal amount outstanding. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in the Statement of Profit and Loss.

Financial assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss.

### Impairment of financial assets

In accordance with Ind AS 109, the Company applies the expected credit loss ("ECL") model for measurement and recognition of impairment loss on financial assets and credit risk exposures.

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables. Simplified approach does not require the Company to track changes in credit risk.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR. Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

ECL impairment loss allowance (or reversal) recognised during the period is recorded as expense/ income in the Statement of Profit and Loss.

### De-recognition of financial assets

The Company de-recognises a financial asset only when the contractual rights to the cash flows from the asset expire, or it transfers the financial asset and substantially all risks and rewards of ownership of the asset to another entity.

If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognizes its retained interest in the assets and an associated liability for amounts it may have to pay.

If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.





## **SUDHA BIO POWER PRIVATE LIMITED**

**Notes to financial statements for the year ended 31 March 2020**

**(All amounts are in Lakhs, unless otherwise stated)**

### **Equity investments**

All equity investments in the scope of Ind AS 109, Financial Instruments, are measured at fair value. For equity instruments, the Company may make an irrevocable election to present the subsequent fair value changes in Other Comprehensive Income (OCI). The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

There is no recycling of the amounts from OCI to profit or loss, even on sale of investment.

Equity instruments included within the FVTPL (fair value through profit and loss) category are measured at fair value with all changes in fair value recognized in the profit or loss.

### **Financial liabilities**

#### **Initial recognition**

Financial liabilities are classified, at initial recognition, as financial liabilities at FVTPL, loans and borrowings and payables as appropriate. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

#### **Subsequent measurement**

##### **Financial liabilities at FVTPL**

Financial liabilities at FVTPL include financial liabilities held for trading and financial liabilities designated upon initial recognition as FVTPL. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. Gains or losses on liabilities held for trading are recognised in the Statement of Profit and Loss.

Financial guarantee contracts issued by the Company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less cumulative amortisation. Amortisation is recognised as finance income in the Statement of Profit and Loss.

##### **Financial liabilities at amortised cost**

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Any difference between the proceeds (net of transaction costs) and the settlement or redemption of borrowings is recognised over the term of the borrowings in the Statement of Profit and Loss.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the Statement of Profit and Loss.

##### **De-recognition of financial liabilities**

Financial liabilities are de-recognised when the obligation specified in the contract is discharged, cancelled or expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as de-recognition of the original liability and recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

##### **Offsetting financial instruments**

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.





## SUDHA BIO POWER PRIVATE LIMITED

Notes to financial statements for the year ended 31 March 2020

(All amounts are in Lakhs, unless otherwise stated)

### h) Fair value measurement

The Company measures financial assets and financial liability at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

The principal or the most advantageous market must be accessible by the Company. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use. The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable. For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Company's Valuation team determines the policies and procedures for both recurring fair value measurement, such as derivative instruments and unquoted financial assets measured at fair value, and for non-recurring measurement.

### i) Inventories

Consumables, stores and spares are valued at lower of cost and net realisable value; cost is computed on first-in-first out basis. The cost of inventories comprises all costs of purchase and other costs incurred in bringing the inventories to their present location and condition. Obsolete, defective, unserviceable and slow/nonmoving stocks are duly provided for. Net realisable value is estimated selling price in ordinary course of business less the estimated cost necessary to make the sale.

### j) Cash and cash equivalents

In the cash flow statement, cash and cash equivalents includes cash on hand, demand deposits with banks, other short-term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

### k) Cash flow

Cash flows are reported using indirect method, whereby profit for the year is adjusted for the effects of transactions of a non cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flow. The cash flows from operating, investing & financing activities of the company are segregated. The company considers all highly liquid investments that are readily convertible to known amounts of cash to be cash equivalents.



**SUDHA BIO POWER PRIVATE LIMITED**

**Notes to financial statements for the year ended 31 March 2020**

**(All amounts are in Lakhs, unless otherwise stated)**

**l) Recognition of income**

The Company earns revenue primarily from sale of electricity.

Effective April 1, 2018, the Company has applied Ind AS 115 which establishes a comprehensive framework for determining whether, how much and when revenue is to be recognised. Ind AS 115 replaces Ind AS 18 Revenue and Ind AS 11 Construction Contracts. The Company has adopted Ind AS 115 using the cumulative effect method. The effect of initially applying this standard is recognised at the date of initial application (i.e. April 1, 2018). The standard is applied retrospectively only to contracts that are not completed as at the date of initial application and the comparative information in the statement of profit and loss is not restated – i.e. the comparative information continues to be reported under Ind AS 18 and Ind AS 11.

Revenue is recognised to the extent it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable excluding taxes or duties collected on behalf of the government and reduced by any rebates and trade discount allowed.

The specific recognition criteria described below must also be met before income is recognised.

- i. Income is recognised on accrual basis and provision is made for all known losses and liabilities.
- ii. Revenue from sale of goods is recognised net of rebates and discounts on transfer of significant risks and rewards of ownership to the buyer. Sale of goods is recognised net of sales tax, value added tax and GST.
- iii. Revenue from services rendered is recognised on prorata basis in proportion to the stage of completion of the related transaction.
- iv. Interest income from debt instruments is recognised using the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument but does not consider the expected credit losses.
- v. Dividend income is recognised when the right to receive the dividend is established.
- vi. Rental income is recognised on a straight-line basis over the period of the lease

**m) Employee benefits**

All employee benefits payable/available within twelve months of rendering the service are classified as short-term employee benefits. Benefits such as salaries, wages and bonus etc., are recognised in the Statement of Profit and Loss in the period in which the employee renders the related service.

**Defined contribution plan**

The Company's contribution to Provident Fund and Employees State Insurance Scheme is determined based on a fixed percentage of the eligible employees' salary and charged to the Statement of Profit and Loss on accrual basis. The Company has categorised its Provident Fund, labour welfare fund and the Employees State Insurance Scheme as a defined contribution plan since it has no further obligations beyond these contributions.

**Defined benefit plan**

The Company's liability towards gratuity, being a defined benefit plan are accounted for on the basis of an independent actuarial valuation based on Projected Unit Credit Method.

Service cost and the net interest cost is included in employee benefit expense in the Statement of profit and loss. Actuarial gains and losses comprise experience adjustments and the effects of changes in actuarial assumptions and are recognised immediately in 'other comprehensive income' as income or expense.

**n) Borrowing costs**

General and specific borrowing costs directly attributable to the acquisition/ construction of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use, are added to the cost of those assets, until such time the assets are substantially ready for their intended use. All other borrowing costs are recognised as an expense in Statement of Profit and Loss in the period in which they are incurred.





**SUDHA BIO POWER PRIVATE LIMITED**

**Notes to financial statements for the year ended 31 March 2020**

**(All amounts are in Lakhs, unless otherwise stated)**

**o) Borrowings and other financial liabilities**

Borrowings and other financial liabilities are initially recognised at fair value (net of transaction costs incurred). Difference between the fair value and the transaction proceeds on initial recognition is recognised as an asset / liability based on the underlying reason for the difference.

Subsequently all financial liabilities are measured at amortised cost using the effective interest rate method.

Borrowings are eliminated from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss. The gain / loss is recognised in other equity in case of transactions with shareholders.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer the settlement of the liability for at least 12 months after the reporting period.

**p) Trade receivables**

A receivable is classified as a 'trade receivable' if it is in respect of the amount due on account of services rendered in the normal course of business. Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the EIR method, less provision for impairment

**q) Trade payables**

A payable is classified as a 'trade payable' if it is in respect of the amount due on account of goods purchased or services received in the normal course of business. These amounts represent liabilities for goods and services provided to the Company prior to the end of the financial year which are unpaid. These amounts are unsecured and are usually settled as per the payment terms stated in the contract. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the EIR method.

**r) Taxation**

i. Tax expense recognised in profit or loss comprises the sum of deferred tax and current tax not recognised in other comprehensive income or directly in equity.

**ii. Current income tax**

Current income tax liabilities and/or assets comprise those obligations to, or claims from, fiscal authorities relating to the current or prior reporting periods, that are unpaid at the reporting date. Current tax is payable on taxable profit, which differs from profit or loss in the financial statements. Calculation of current tax is based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period. Deferred income taxes are calculated using the liability method on temporary differences between the carrying amounts of assets and liabilities and their tax bases.

**iii. Deferred tax**

Deferred tax assets are recognised to the extent it is probable that the underlying tax loss or deductible temporary difference will be utilised against future taxable income. This is assessed based on the Company's forecast of future operations results, adjusted for significant non-taxable income and expenses and specific limits on the use of any unused tax loss or credit.

Changes in deferred tax assets or liabilities are recognised as a component of tax income or expense in profit or loss, except where they relate to items that are recognised in other comprehensive income or directly in equity, in which case the related deferred tax is also recognised in other comprehensive income or equity, respectively.

**iv. Minimum alternate tax (MAT)**

Tax credit is recognised in respect of Minimum Alternate Tax (MAT) as per the provisions of the Income Tax Act, 1961 based on convincing evidence that the Company will pay normal income tax within the statutory time frame and is reviewed at each Balance Sheet date. During the current financial year company had opted new income tax regime as led down under section 115BAA of the Income Tax Act 1961, Therefore MAT is not applicable



**SUDHA BIO POWER PRIVATE LIMITED**

**Notes to financial statements for the year ended 31 March 2020**

**(All amounts are in Lakhs, unless otherwise stated)**

**s) Provisions and contingent liabilities**

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Contingent liabilities are disclosed in respect of possible obligations that arise from past events, whose existence would be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. Such liabilities are disclosed by way of notes to the financial statements.

**t) Segment reporting**

In the opinion of management, there is only one reportable segment i.e., generation & distribution of electricity as envisaged by Ind As 108 "Segment Reporting". Accordingly, no disclosure for segment reporting has been made in the financial statements.

**u) Significant management judgements in applying accounting policies and estimation uncertainty**

When preparing the financial statements, management makes a number of judgments, estimates and assumptions about the recognition and measurement of assets, liabilities, income and expenses. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

**Impairment of non-financial assets**

In assessing impairment, management estimates the recoverable amount of each asset or cash-generating unit based on expected future cash flows and uses an interest rate to discount them. Estimation uncertainty relates to assumptions about future operating results and the determination of a suitable discount rate.

**Depreciation and useful lives of property, plant and equipment**

Property, plant and equipment are depreciated over the estimated useful lives of the assets, after taking into account their estimated residual value. Management reviews the estimated useful lives and residual values of the assets annually in order to determine the amount of depreciation to be recorded during any reporting period. The useful lives and residual values are based on the Company's historical experience with similar assets and take into account anticipated technological changes. The depreciation for future periods is adjusted if there are significant changes from previous estimates.

**Recoverability of trade receivable**

Judgments are required in assessing the recoverability of overdue trade receivables and determining whether a provision against those receivables is required. Factors considered include the credit rating of the counterparty, the amount and timing of anticipated future payments and any possible actions that can be taken to mitigate the risk of non-payment.

**Provisions**

Provisions and liabilities are recognized in the period when it becomes probable that there will be a future outflow of funds resulting from past operations or events and the amount of cash outflow can be reliably estimated. The timing of recognition and quantification of the liability require the application of judgment to existing facts and circumstances, which can be subject to change. Since the cash outflows can take place many years in the future, the carrying amounts of provisions and liabilities are reviewed regularly and adjusted to take account of changing facts and circumstances.

**Defined benefit obligation (DBO)**

Management's estimate of the DBO is based on a number of critical underlying assumptions such as standard rates of inflation, mortality, discount rate and anticipation of future salary increases. Variation in these assumptions may significantly impact the DBO amount and the annual defined benefit expenses.





**SUDHA BIO POWER PRIVATE LIMITED**

**Notes to financial statements for the year ended 31 March 2020**

**(All amounts are in Lakhs, unless otherwise stated)**

**v) Defined contribution plan**

- A)** Amount of Rs. 22.17 Lakh (31 March 2019 Rs. 23.957 Lakh) pertaining to employers' contribution to provident fund, pension fund, labour welfare fund and administration charges is recognized as an expense and included in "Employee benefits " in Note 25.

**B) Defined benefit plan:**

**Gratuity plan:**

The Company operates a gratuity plan which provides lump sum benefits linked to the qualifying salary and completed years of service with the Company at the time of separation. Every employee who has completed 5 years of continuous service is entitled to receive gratuity at the time of his retirement or separation from the organization whichever is earlier. However the condition of completion of 5 years of service is not applicable where separation is on account of disability or death of an employee. The gratuity benefit that is payable to any employee, is computed in accordance with the provisions of "The Payment of Gratuity Act, 1972".

**The Gratuity fund**

The following table sets forth the status of the gratuity plan of the Company and the amounts recognised in the Balance Sheet and Statement of Profit and Loss:

| Particulars   | For the year ended<br>31 March 2020 | For the year ended<br>31 March 2019 |
|---|-------------------------------------|-------------------------------------|
| <b>Changes in the present value of defined benefit obligation</b> |                                     |                                     |
| Present value as at the beginning of the year                     | 31.28                               | 24.18                               |
| <b>Included in profit and loss account</b>                        |                                     |                                     |
| -Current service cost   | 5.44                                | 5.01                                |
| -Interest cost  | 2.19                                | 1.87                                |
| <b>-Past Service COST</b>   |                                     |                                     |
| -Benefits paid  | (0.69)                              | -                                   |
| <b>Included in other comprehensive income</b>                     |                                     |                                     |
| -Actuarial loss/ (gain) arising from change in                    |                                     |                                     |
| · financial assumptions   | 1.13                                | 0.21                                |
| · experience changes  |                                     |                                     |
| <b>Present value of the obligation at the end of the year</b>     |                                     |                                     |
| <b>Particulars</b>  | <b>31 March 2020</b>                | <b>31 March 2019</b>                |
| Present value of unfunded obligations                             | 39.35                               | 31.28                               |
| <b>Net liability</b>  | <b>39.35</b>                        | <b>31.28</b>                        |
| <u>Amounts in Balance Sheet</u>                                   |                                     |                                     |
| Liability   | -                                   | -                                   |
| <u>Net liability is bifurcated as follows:</u>                    |                                     |                                     |
| Long term   | 35.19                               | 27.80                               |
| Short term  | 4.16                                | 3.48                                |
| <b>Net liability</b>  | <b>39.35</b>                        | <b>31.28</b>                        |



**SUDHA BIO POWER PRIVATE LIMITED**

Notes to financial statements for the year ended 31 March 2020

(All amounts are in Lakhs, unless otherwise stated)

**Principal actuarial assumptions at the balance sheet date are as follows****Economic assumptions:**

The principal assumptions are the discount rate and salary escalation rate. The discount rate is generally based upon the market yields available on Government bonds at the accounting date with a term that matches that of the liabilities and the salary growth rate takes account of inflation, seniority, promotion and other relevant factors on long term basis. The assumptions used are summarized in the following table:

|                             | As at<br>31-Mar-20 | As at<br>31-Mar-19 |
|-----------------------------|--------------------|--------------------|
| Discount rate p.a.          | 7.00%              | 7.75%              |
| Salary escalation rate p.a. | 5.00%              | 5.00%              |

**Demographic assumptions:**

|                     | As at<br>31-Mar-20   | As at<br>31-Mar-19   |
|---------------------|--|--|
| Retirement age      | 60 years   | 60 years   |
| Mortality Ult table | IALM (2012-14)<br>Ultimate   | IALM (2006-<br>08) Ultimate  |
| Employee turnover   | 18 - 30 years-<br>5%<br>30 - 44 years-<br>3%<br>44 - 60 years-<br>2% | 18 - 30 years-<br>5%<br>30 - 44 years-<br>3%<br>44 - 60 years-<br>2% |

**Sensitivity analysis:**

The key actuarial assumption to which the benefit obligation results are particularly sensitive to discount rate and future salary escalation rate. The following table summarizes the impact on the reported defined benefit obligation at the end of the reporting period arising on account of an increase or decrease in the reported assumption by 100 basis points.

| Particulars                             | Year ended 31 March 2020 |                           | Year ended 31 March 2019 |                           |
|---|--------------------------|---------------------------|--------------------------|---------------------------|
|   | Discount rate            | Salary<br>escalation rate | Discount<br>rate         | Salary<br>escalation rate |
| Increase (decrease) on plus 100<br>bps  | 35.84                    | 43.49                     | 28.53                    | 34.54                     |
| Increase (decrease) on minus<br>100 bps | (43.45)                  | (35.75)                   | (34.48)                  | (28.44)                   |

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown

These sensitivities have been calculated to show the movement in defined benefit obligation in isolation and assuming there are no other changes in market conditions at the reporting date



**SUDHA BIO POWER PRIVATE LIMITED**

Notes to financial statements for the year ended 31 March 2020

(All amounts are in Lakhs, unless otherwise stated)

**Expected maturity analysis**

The expected maturity analysis of defined benefit obligation is as follows:

| Particulars       | As at 31 March<br>2020 | As at 31 March<br>2019 |
|-------------------|------------------------|------------------------|
| Less than 1 year  | 4.16                   | 3.48                   |
| 1-2 years         | 0.85                   | 2.06                   |
| 2-5 years         | 3.19                   | 6.26                   |
| More than 5 years | 31.16                  | 29.83                  |

The weighted average duration to the payment of defined benefit obligation is 18 years (31 March 2019: 19 years).

**Risk analysis:**

The above defined benefit plan expose the Company the following risks:

**i) Interest rate risk**

The defined benefit obligation calculated uses a discount rate based on government bonds. If bond yields fall, the defined benefit obligation will tend to increase.

**ii) Salary inflation risk**

Higher than expected increases in salary will increase the defined benefit obligation.

**iii) Demographic risk:**

This is the risk of variability of results due to unsystematic nature of decrements that include mortality, withdrawal, disability and retirement. The effect of these decrements on the defined benefit obligation is not straight forward and depends upon the combination of salary increase, discount rate and vesting criteria. It is important not to overstate withdrawals because in the financial analysis the retirement benefit of a short career employee typically costs less per year as compared to a long service employee.

**Fair value measurement**

Management uses valuation techniques to determine the fair value of financial instruments (where active market quotes are not available) and non-financial assets. This involves developing estimates and assumptions consistent with how market participants would price the instrument. Management bases its assumptions on observable data as far as possible but this is not always available. In that case management uses the best information available. Estimated fair values may vary from the actual prices that would be achieved in an arm's length transaction at the reporting date.

**w) Earnings per share**

The Company presents basic and diluted earnings per share data for its equity shares. Basic and diluted earnings per share is calculated by dividing the profit or loss attributable to owners of the equity shares of the Holding Company by the weighted average number of equity shares outstanding during the year.

**x) Exceptional Items**

When items of income and expense within statement of profit and loss from ordinary activities are of such size, nature or incidence that their disclosure is relevant to explain the performance of the enterprise for the period, the nature and amount of such material items are disclosed separately as exceptional items.

**y) Rounding of amounts**

All amounts disclosed in the financial statements and notes have been rounded off to the nearest Lakhs as per the requirement of Schedule III, unless otherwise stated.



**SUDHA BIO POWER PRIVATE LIMITED**

**Notes to financial statements for the year ended 31 March 2020**

**(All amounts are in Lakhs, unless otherwise stated)**

**2 (B) Critical Accounting Judgements and Key Sources of Estimation Uncertainty**

The preparation of the Company's Financial Statements requires management to make judgement, estimates and assumptions that affect the reported amount of revenue, expenses, assets and liabilities and the accompanying disclosures. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in next financial years.

**a) Recoverability of Trade Receivables**

Judgements are required in assessing the recoverability of overdue trade receivables and determining whether a provision against those receivables is required. Factors considered include the credit rating of the counterparty, the amount and timing of anticipated future payments and any possible actions that can be taken to mitigate the risk of non-payment.

**b) Provisions**

The timing of recognition and quantification of the liability (including litigations) requires the application of judgement to existing facts and circumstances, which can be subject to change. The carrying amounts of provisions and liabilities are reviewed regularly and revised to take account of changing facts and circumstances

**c) Global Health Pandemic on COVID-19**

The outbreak of COVID-19 pandemic across the globe and in India has contributed to a significant decline and volatility in the global and Indian financial markets and slowdown in the economic activities. The extent to which the COVID-19 pandemic will impact the Company's results will depend on future developments, which are highly uncertain, including, among other things, any new information concerning the severity of the COVID-19 pandemic and any action to contain its spread or mitigate its impact whether government-mandated or elected by the Company. Given the uncertainty over the potential macro-economic condition, the impact of the global health pandemic may be different from that estimated as at the date of approval of these financial results and the Company will continue to closely monitor any material changes to future economic conditions.





**SUDHA BIO POWER PRIVATE LIMITED**

Notes to financial statements for the year ended 31 March 2020

(All amounts are in Lakhs, unless otherwise stated)

**3 Property, plant and equipment and capital work-in-progress**

**a. Property, plant and equipment**

| Particulars                        | Tangible assets |               |                                     |                        |                |                   |                     | Total tangible assets |
|------------------------------------|-----------------|---------------|-------------------------------------|------------------------|----------------|-------------------|---------------------|-----------------------|
|                                    | Freehold land   | Buildings     | Computers and data processing units | Furniture and fittings | Motor vehicles | Office equipments | Plant and machinery |                       |
| Balance as at 1 April 2018         | 249.90          | 506.93        | 2.28                                | 3.87                   | 13.19          | 5.01              | 738.25              | 1,519.43              |
| Additions                          | 9.04            | -             | -                                   | 23.70                  | 5.05           | -                 | 143.11              | 180.90                |
| Disposals                          | -               | -             | -                                   | -                      | -              | -                 | -                   | -                     |
| <b>Balance as at 31 March 2019</b> | <b>258.94</b>   | <b>506.93</b> | <b>2.28</b>                         | <b>27.57</b>           | <b>18.24</b>   | <b>5.01</b>       | <b>881.36</b>       | <b>1,700.33</b>       |
| Balance as at 1 April 2019         | 258.94          | 506.93        | 2.28                                | 27.57                  | 18.24          | 5.01              | 881.36              | 1,700.33              |
| Additions                          | -               | 12.38         | -                                   | 0.72                   | -              | 3.46              | 61.27               | 77.84                 |
| Disposals                          | -               | -             | -                                   | -                      | -              | -                 | -                   | -                     |
| <b>Balance as at 31 March 2020</b> | <b>258.94</b>   | <b>519.31</b> | <b>2.28</b>                         | <b>28.29</b>           | <b>18.24</b>   | <b>8.47</b>       | <b>942.63</b>       | <b>1,778.17</b>       |
| <b>Accumulated depreciation</b>    |                 |               |                                     |                        |                |                   |                     |                       |
| Balance as at 1 April 2018         | -               | 48.00         | 1.84                                | 1.84                   | 6.66           | 3.55              | 94.07               | 155.96                |
| Depreciation during the year       | -               | 43.30         | 0.23                                | 2.07                   | 2.11           | 0.66              | 42.30               | 90.67                 |
| Disposals                          | -               | -             | -                                   | -                      | -              | -                 | -                   | -                     |
| <b>Balance as at 31 March 2019</b> | <b>-</b>        | <b>91.30</b>  | <b>2.08</b>                         | <b>3.91</b>            | <b>8.77</b>    | <b>4.20</b>       | <b>136.37</b>       | <b>246.63</b>         |
| Balance as at 1 April 2019         | -               | 91.30         | 2.08                                | 3.91                   | 8.77           | 4.20              | 136.37              | 246.63                |
| Depreciation during the year       | -               | 39.30         | 0.09                                | 6.24                   | 3.03           | 1.23              | 70.39               | 120.29                |
| Disposals                          | -               | -             | -                                   | -                      | -              | -                 | -                   | -                     |
| <b>Balance as at 31 March 2020</b> | <b>-</b>        | <b>130.60</b> | <b>2.17</b>                         | <b>10.15</b>           | <b>11.80</b>   | <b>5.43</b>       | <b>206.77</b>       | <b>366.92</b>         |
| Balance as at 31 March 2019        | 258.94          | 415.63        | 0.21                                | 23.66                  | 9.47           | 0.81              | 744.98              | 1,453.70              |
| Balance as at 31 March 2020        | 258.94          | 388.71        | 0.11                                | 18.14                  | 6.44           | 3.04              | 735.86              | 1,411.25              |



**b. Movement of capital work-in-progress**

| Particulars              | Balance as at 1 April 2018 | Addition during the year | Capitalization during the year | Balance as at 31 March 2019 | Addition during the year | Capitalization during the year | Balance as at 31 March 2020 |
|--------------------------|----------------------------|--------------------------|--------------------------------|-----------------------------|--------------------------|--------------------------------|-----------------------------|
| Capital work in progress | -                          | 9.90                     | -                              | 9.90                        | 2.48                     | 12.38                          | -                           |
| <b>Total</b>             | -                          | 9.90                     | -                              | 9.90                        | 2.48                     | 12.38                          | -                           |

**c. Goodwill**

**As at 31 March 2019**

| Particulars                                 | Balance as at 1 April 2018 | Addition during the year | Balance as at 31 March 2019 |
|---|----------------------------|--------------------------|-----------------------------|
| Goodwill acquired from business combination | 476.95                     | -                        | 476.95                      |
| <b>Total</b>                                | 476.95                     | -                        | 476.95                      |

**As at 31 March 2020**

| Particulars                                 | Balance as at 1 April 2019 | Addition during the year | Balance as at 31 March 2020 |
|---|----------------------------|--------------------------|-----------------------------|
| Goodwill acquired from business combination | 476.95                     | -                        | 476.95                      |
| <b>Total</b>                                | 476.95                     | -                        | 476.95                      |



**SUDHA BIO POWER PRIVATE LIMITED**

Notes to financial statements for the year ended 31 March 2020

(All amounts are in Lakhs, unless otherwise stated)

|  | As at<br>31 March 2020 | As at<br>31 March 2019 |
|--|------------------------|------------------------|
| <b>4 Loans (non-current)</b><br><i>(Unsecured, considered good unless otherwise stated)</i>                  |                        |                        |
| Security deposits<br>-with others  | 688.59                 | 659.68                 |
|  | <u>688.59</u>          | <u>659.68</u>          |
| <b>5 Investments (non-current)</b>   |                        |                        |
| <b>Investment in shares at FVTOCI</b>  |                        |                        |
| Aryan Ispat & Power Pvt. Ltd. (Preference shares)<br>(5,00,000 shares (Previous year Nil) @ Rs 100 each)     | 252.55                 | 527.51                 |
| Aryan Ispat & Power Pvt. Ltd. (Shares)<br>(1,80,000 shares (Previous year Nil) @ Rs 100 each)                | 90.92                  | 189.91                 |
|  | <u>343.47</u>          | <u>717.42</u>          |
| <b>6 Other financial assets (non-current)</b><br><i>(Unsecured, considered good unless otherwise stated)</i> |                        |                        |
| Deposit with banks   | 42.31                  | 102.63                 |
|  | <u>42.31</u>           | <u>102.63</u>          |
| <b>7 Inventories</b><br><i>(valued at the lower of cost or net realizable value)</i>                         |                        |                        |
| Coal   | 34.78                  | 55.80                  |
| Biomass husk   | 141.17                 | 320.19                 |
| Stores & spares  | 200.52                 | 241.44                 |
|  | <u>376.47</u>          | <u>617.43</u>          |
| <b>8 Trade receivables</b>   |                        |                        |
| <b>Unsecured &amp; considered good</b>   |                        |                        |
| Trade receivables  | 1,489.31               | 1,039.69               |
|  | <u>1,489.31</u>        | <u>1,039.69</u>        |
| <b>9 Cash, cash equivalents and other bank balances</b>  |                        |                        |
| Balance with banks :   |                        |                        |
| -current accounts  | 91.50                  | 71.17                  |
| Cash in hand   | 6.77                   | 2.16                   |
|  | <u>98.27</u>           | <u>73.33</u>           |
| <b>10 Other financial assets (current)</b>   |                        |                        |
| Inter corporate deposits given   | 533.30                 | 3.32                   |
|  | <u>533.30</u>          | <u>3.32</u>            |
| <b>11 Other current assets</b>   |                        |                        |
| Advance to employees   | 1.86                   | 3.20                   |
| Advance to suppliers   | 11.16                  | 191.01                 |
| Prepaid expenses   | 14.89                  | 5.69                   |
| Advance tax and tds receivable   | 23.66                  | 96.69                  |
|  | <u>51.57</u>           | <u>296.59</u>          |



**SUDHA BIO POWER PRIVATE LIMITED**

Notes to financial statements for the year ended 31 March 2020

(All amounts are in Lakhs, unless otherwise stated)

**13 Other equity**

**Surplus in the statement of profit and loss**

Opening balance  
Add: Profit/(loss) for the year  
Other Comprehensive income

|                                 | As at<br>31 March 2020 | As at<br>31 March 2019 |
|---------------------------------|------------------------|------------------------|
| Opening balance                 | 2,191.09               | 1,896.88               |
| Add: Profit/(loss) for the year | 261.73                 | 267.41                 |
| Other Comprehensive income      | (280.68)               | 26.80                  |
|                                 | <u>2,172.14</u>        | <u>2,191.09</u>        |

**14 Borrowings (non-current)- amortized at cost**

**Secured loan**

From banks\*  
Less: Processing fees pending amortisation  
Less: Amount disclosed under the head "Other current financial liabilities" (refer note 19)

|   | As at<br>31 March 2020 | As at<br>31 March 2019 |
|---|------------------------|------------------------|
| From banks*   | 506.01                 | 984.27                 |
| Less: Processing fees pending amortisation  | 10.05                  | 2.60                   |
| Less: Amount disclosed under the head "Other current financial liabilities" (refer note 19) | 202.40                 | 485.74                 |
|   | <u>293.56</u>          | <u>495.93</u>          |
| <b>Unsecured loan</b>   |                        |                        |
| Inter corporate deposit   |                        | 77.88                  |
|   |                        | <u>77.88</u>           |
|   | <u>293.56</u>          | <u>573.81</u>          |

**Footnote:**

**Nature of security**

i) Secured against movable and immovable properties of the Company and charge on entire current assets present and future, personal guarantee of Mr. R. S. Sindhu and charge on Debt Service Reserve Account equal to one month interest and principal.

**Terms of repayment of principal and interest**

(a) Company has taken Rupee Term Loan from Indusind Bank of Rs.17.00 crores during the FY 2014-15 which is to be repaid in 54 equal installments starting after 6 months moratorium. Company has entered into a derivative transaction of currency swap for the amount which is fully hedged. Interest rate for the loan shall be 12.75%. It was fully repaid during the FY 2019-20.

(b) Company has taken Rupee Term Loan from Indusind Bank of Rs.10.00 crores during the FY 2017-18 which is to be repaid in 60 equal installments. Interest rate for the loan is 11.50%. Company has entered into derivative transaction of currency swap for the amount which is fully hedged.

**15 Provisions (non-current)**

Provision for employee benefits  
-Provision for gratuity

|                                 | As at<br>31 March 2020 | As at<br>31 March 2019 |
|---------------------------------|------------------------|------------------------|
| Provision for employee benefits | 35.19                  | 27.80                  |
| -Provision for gratuity         | 35.19                  | 27.80                  |

**16. Deferred tax assets/(Liability) - Net**

(i) The balances comprises temporary differences attributable to the following:

**Deferred tax assets arising on account of**  
Provision for gratuity

**Deferred tax liability arising on account of**  
-Property, plant and equipment  
Valuation of equity shares hold as investment

|   | As at<br>31 March 2020 | As at<br>31 March 2019 |
|---|------------------------|------------------------|
| Provision for gratuity                              | 1.97                   | 1.96                   |
|   | <u>1.97</u>            | <u>1.96</u>            |
| <b>Deferred tax liability arising on account of</b> |                        |                        |
| -Property, plant and equipment                      | 152.22                 | 155.32                 |
| Valuation of equity shares hold as investment       | 94.40                  | 10.41                  |
|   | <u>246.62</u>          | <u>165.73</u>          |
| <b>Net deferred tax asset/(Liability)</b>           | <u>(244.64)</u>        | <u>(163.77)</u>        |





**SUDHA BIO POWER PRIVATE LIMITED**

Notes to financial statements for the year ended 31 March 2020

(All amounts are in Lakhs, unless otherwise stated)

| (ii) Movement in deferred tax balances                               | Net balance<br>as at<br>1 April 2018 | Recognised in<br>profit or loss/OCI | Net balance<br>as at<br>31 March 2019 | Recognised in profit<br>or loss/OCI | Net balance<br>as at<br>31 March 2020 |
|--|--------------------------------------|-------------------------------------|---------------------------------------|-------------------------------------|---------------------------------------|
| <b>Deferred tax asset</b>  |                                      |                                     |                                       |                                     |                                       |
| Provision of gratuity  | 6.66                                 | (4.70)                              | 1.96                                  | 0.01                                | 1.97                                  |
|  | <u>6.66</u>                          | <u>(4.70)</u>                       | <u>1.96</u>                           | <u>0.01</u>                         | <u>1.97</u>                           |
| <b>Deferred tax liability</b>  |                                      |                                     |                                       |                                     |                                       |
| Property, plant and equipment  | 129.13                               | 26.19                               | 155.32                                | (3.10)                              | 152.22                                |
| Measurement of loan at amortised cost                                | 3.69                                 | (3.69)                              | -                                     | -                                   | -                                     |
| Valuation of equity shares hold as<br>Investment (recognised in OCI) | -                                    | 10.41                               | 10.41                                 | 83.99                               | 94.40                                 |
| <b>Deferred tax asset / (liability) (net)</b>                        | <u>(126.16)</u>                      | <u>(37.61)</u>                      | <u>(163.77)</u>                       | <u>(80.88)</u>                      | <u>(244.65)</u>                       |

**17 Borrowings (current)**

|   | As at<br>31 March 2020 | As at<br>31 March 2019 |
|---|------------------------|------------------------|
| <b>Loans repayable on demand (secured):</b> |                        |                        |
| Cash credit limit*                          | 678.72                 | 589.82                 |
|   | <u>678.72</u>          | <u>589.82</u>          |

**Footnote:**

**\*Nature of security**

(1) Pari-passu first charge by way of hypothecation/mortgage on all current assets including entire stocks and book debts, both present and future, comprising, inter-alia, of stock of raw material, work in progress, finished good

(2) Pari-passu collateral charge on all moveable/immovable fixed assets of company present and future.

**Footnote:**

- \* Company has taken Cash Credit from Indusind Bank of Rs 6.00 crores during the FY 2015-16 against primary security of the entire current assets of the company, existing and future, comprising, inter-alia, of stocks of raw material, work in progress, finished goods, receivables, book debts and other current assets. The same has been secured with collateral security of entire movable and immovable Fixed assets of the company.

**18 Trade payables**

|  | As at<br>31 March 2020 | As at<br>31 March 2019 |
|--|------------------------|------------------------|
| <b>Trade payables for goods &amp; services</b>     |                        |                        |
| Total outstanding dues of micro & small enterprise | 2.05                   | 9.55                   |
| Total outstanding dues of other trade payables     | 798.99                 | 398.21                 |
|  | <u>801.04</u>          | <u>407.76</u>          |

**Dues to micro and small enterprises**

The Company has certain dues to suppliers registered under Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED Act'). The disclosures pursuant to the said MSMED Act are as follows :

| Particulars  | As at 31 March 2020 | As at 31 March 2019 |
|--|---------------------|---------------------|
| (a) The principal amount remaining unpaid to any supplier at the end of the year.  | 2.05                | 9.55                |
| (b) Interest due remaining unpaid to any supplier at the end of the year.  | -                   | -                   |
| (c) The amount of interest paid by the buyer in terms of section 16 of the MSMED Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during the year.  | -                   | -                   |
| (d) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act, 2006.  | -                   | -                   |
| (e) The amount of interest accrued and remaining unpaid at the end of each accounting year.  | -                   | -                   |
| (f) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprises, for the purpose of disallowance of a deductible expenditure under section 23 of the MSMED Act, 2006. | -                   | -                   |



**SUDHA BIO POWER PRIVATE LIMITED**

Notes to financial statements for the year ended 31 March 2020

(All amounts are in Lakhs, unless otherwise stated)

Disclosure of payable to vendors as defined under the "Micro, Small and Medium Enterprise Development Act, 2006" is based on the information available with the Company regarding the status of registration of such vendors under the said Act, as per the intimation received from them on requests made by the Company. There are no overdue principal amounts / interest payable amounts for delayed payments to such vendors at the Balance Sheet date. There are no delays in payment made to such suppliers during the year or for any earlier years and accordingly there is no interest paid or outstanding interest in this regard in respect of payment made during the year or on balance brought forward from previous year.

**19 Other financial liabilities (current)**

|  | As at<br>31 March 2020 | As at<br>31 March 2019 |
|--|------------------------|------------------------|
| Current maturities of long term borrowings (refer note 14) | 202.40                 | 485.74                 |
| Salaries & wages payable                                   | 20.20                  | 15.64                  |
|  | <u>222.60</u>          | <u>501.38</u>          |

**20 Other current liabilities**

|                        | As at<br>31 March 2020 | As at<br>31 March 2019 |
|------------------------|------------------------|------------------------|
| Statutory dues payable | 14.79                  | 9.10                   |
| Other expense payable  | 5.17                   | 0.09                   |
|                        | <u>19.96</u>           | <u>9.19</u>            |

**21 Provisions (current)**

|                        | As at<br>31 March 2020 | As at<br>31 March 2019 |
|------------------------|------------------------|------------------------|
| Provision for taxation | 138.47                 | 81.55                  |
| Provision for gratuity | 4.16                   | 3.47                   |
|                        | <u>142.63</u>          | <u>85.02</u>           |



**SUDHA BIO POWER PRIVATE LIMITED**

Notes to financial statements for the year ended 31 March 2020

(All amounts are in Lakhs, unless otherwise stated)

|  | For the year ended<br>31 March 2020 | For the year ended<br>31 March 2019 |
|--|-------------------------------------|-------------------------------------|
| <b>22 Revenue from operations</b>          |                                     |                                     |
| Supply of electricity                      | 4,707.60                            | 4,353.04                            |
| Sale of paver blocks and RCC poles         | 12.71                               | -                                   |
|  | <b>4,720.31</b>                     | <b>4,353.04</b>                     |
| <b>23 Other income</b>                     |                                     |                                     |
| Interest received                          | 35.49                               | 99.74                               |
| Electricity duty received                  | 38.04                               | -                                   |
| Insurance claim received                   | 5.40                                | 4.54                                |
| Miscellaneous income                       | 1.59                                | 1.26                                |
|  | <b>80.52</b>                        | <b>105.54</b>                       |
| <b>24 Cost of material consumed</b>        |                                     |                                     |
| Biomass consumed                           | 2,578.25                            | 2,616.44                            |
| Coal consumed                              | 283.44                              | 268.17                              |
| Consumables                                | 32.34                               | 20.91                               |
| Transportation, loading & handling charges | 76.14                               | 84.47                               |
| SDSMA charges                              | 17.52                               | 12.38                               |
| Electricity charges                        | 43.39                               | 43.73                               |
| Wages                                      | 52.16                               | 51.08                               |
|  | <b>3,083.24</b>                     | <b>3,097.18</b>                     |
| <b>25 Employee benefit expenses</b>        |                                     |                                     |
| Salaries, wages and bonus                  | 314.61                              | 296.35                              |
| Workmen and staff welfare expenses         | 13.32                               | 12.66                               |
| Provision for gratuity                     | 6.94                                | 6.89                                |
|  | <b>334.87</b>                       | <b>315.90</b>                       |
| <b>26 Finance costs</b>                    |                                     |                                     |
| Interest on term loan                      | 91.30                               | 156.16                              |
| Interest on cash credit limit              | 48.12                               | 55.57                               |
| Interest paid on ICD                       | 9.27                                | 10.38                               |
| Interest other statutory dues              | -                                   | 0.39                                |
| <b>Other borrowing cost</b>                |                                     |                                     |
| Processing fees                            | -                                   | 11.62                               |
|  | <b>148.69</b>                       | <b>234.12</b>                       |





**SUDHA BIO POWER PRIVATE LIMITED**

Notes to financial statements for the year ended 31 March 2020

(All amounts are in Lakhs, unless otherwise stated)

| <b>27 Other expenses</b>           | <b>For the year ended<br/>31 March 2020</b> | <b>For the year ended<br/>31 March 2019</b> |
|------------------------------------|---|---|
| Repair & maintenance:              |   |   |
| - Plant and machinery and building | 350.69                                      | 234.30                                      |
| - Others                           | 5.06  | 2.71  |
| Electricity duty                   | 38.04                                       | -   |
| Advertisement expenses             | 0.63  | -   |
| Security charges                   | 37.10                                       | 32.10                                       |
| Statutory auditor's remuneration   | 3.55  | 3.85  |
| Bank charges                       | 0.27  | -   |
| Corporate social responsibility    | 2.00  | 2.00  |
| Debit balances written off         | 0.05  | -   |
| Insurance expense                  | 12.46                                       | 11.55                                       |
| Rates, fees & taxes                | 4.17  | 2.27  |
| Office expenses                    | 4.61  | 8.28  |
| Legal & professional charges       | 6.96  | 6.19  |
| Other consumables                  |   | 0.48  |
| Stationery & printing expenses     | 0.70  | 1.24  |
| Telephone expenses                 | 3.03  | 5.06  |
| Travelling expenses                | 3.47  | 8.13  |
| Vehicle hire charges               | 26.48                                       | 26.40                                       |
|                                    | <b>499.27</b>                               | <b>344.56</b>                               |

| <b>28 Earnings per share</b>   | <b>For the year ended<br/>31 March 2020</b> | <b>For the year ended<br/>31 March 2019</b> |
|--|---|---|
| <b>a. Profit/(loss) attributable to equity holders</b>   |   |   |
| Profit/(loss) attributable to equity holders   | 261.73                                      | 267.41                                      |
| <b>b. Weighted average number of equity shares</b>   |   |   |
| Number of equity shares of Rs. 10 each at the beginning of the year  | 90,10,000                                   | 90,10,000                                   |
| Number of equity shares of Rs. 10 each at the end of the year  | 90,10,000                                   | 90,10,000                                   |
| Weighted average number of equity shares of Rs. 10 each at the end of the year for calculation of basic earnings per share | -   | -   |
| Basic and diluted earnings per share (in Rs.) - on profit/ (loss)  | 2.90  | 2.97  |
| Nominal value per share (in Rs.)   | 10.00                                       | 10.00                                       |



**SUDHA BIO POWER PRIVATE LIMITED**

Notes to financial statements for the year ended 31 March 2020

(All amounts are in Lakhs, unless otherwise stated)

**12 Share capital**

| Particulars                                 | As at 31 March 2020 |                 | As at 31 March 2019 |                 |
|---|---------------------|-----------------|---------------------|-----------------|
|   | No. of Shares       | Amount          | No. of Shares       | Amount          |
| <b>Authorised share capital</b>             |                     |                 |                     |                 |
| Equity shares of Rs.10 each                 | 3,60,00,000         | 3,600.00        | 3,60,00,000         | 3,600.00        |
| Preference shares of Rs.10 each             | -                   | -               | -                   | -               |
|   | <b>3,60,00,000</b>  | <b>3,600.00</b> | <b>3,60,00,000</b>  | <b>3,600.00</b> |
| <b>Issued, subscribed and fully paid-up</b> |                     |                 |                     |                 |
| Equity shares of Rs.10 each fully paid      | 90,10,000           | 901.00          | 90,10,000           | 901.00          |
|   | <b>90,10,000</b>    | <b>901.00</b>   | <b>90,10,000</b>    | <b>901.00</b>   |

**a) Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting period**

| Particulars                                | As at 31 March 2020 |               | As at 31 March 2019 |               |
|--|---------------------|---------------|---------------------|---------------|
|  | No. of Shares       | Amount        | No. of Shares       | Amount        |
| <b>Equity shares</b>                       |                     |               |                     |               |
| Shares at the beginning of the year        | 90,10,000           | 901.00        | 90,10,000           | 901.00        |
| Add: Further shares issued during the year | -                   | -             | -                   | -             |
|  | <b>90,10,000</b>    | <b>901.00</b> | <b>90,10,000</b>    | <b>901.00</b> |

**b) Terms/rights attached to equity shares**

The Company has only one class of equity shares, having a par value of Rs.10 per share. All shares rank pari passu with respect to dividend, voting rights and other terms. Each shareholder is entitled to one vote per share. The dividend proposed, if any, by the Board of Directors is subject to approval of shareholders in the ensuing Annual General Meeting, except in case of interim dividend. The repayment of equity share capital in the event of liquidation and buy back of shares are possible subject to prevalent regulations. In the event of liquidation, normally the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

**c) Shares held by holding company**

| Particulars  | As at 31 March 2020 |                | As at 31 March 2019 |                |
|--|---------------------|----------------|---------------------|----------------|
|  | No. of Shares       | Amount         | No. of Shares       | Amount         |
| <b>Equity shares of Rs.10 each, fully paid up held by Sindhu Trade Links Limited</b> | 90,10,000           | 100.00%        | 90,10,000           | 100.00%        |
|  | <b>90,10,000</b>    | <b>100.00%</b> | <b>90,10,000</b>    | <b>100.00%</b> |

**d) Details of equity shareholders holding more than 5% shares in the company**

| Particulars  | As at 31 March 2020 |                  | As at 31 March 2019 |                  |
|--|---------------------|------------------|---------------------|------------------|
|  | No. of Shares       | % of shares held | No. of Shares       | % of shares held |
| <b>Equity shares of Rs.10 each, fully paid up held by Sindhu Trade Links Limited</b> | 90,10,000           | 100.00%          | 90,10,000           | 100.00%          |
|  | <b>90,10,000</b>    | <b>100.00%</b>   | <b>90,10,000</b>    | <b>100.00%</b>   |



**SUDHA BIO POWER PRIVATE LIMITED**  
**Notes to financial statements for the year ended 31 March 2020**  
**(All amounts are in Lakhs, unless otherwise stated)**

**29. Financial instruments - Fair values and risk management**

**1. Credit risk**

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations resulting in a financial loss to the Company. Credit risk arises principally from trade receivables, loans & advances, cash & cash equivalents and deposits with banks and financial institutions and customers.

**Trade receivables**

Customer credit risk is managed according to the Company's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on an credit rating scorecard and individual credit limits are defined in accordance with this assessment.

An impairment analysis is performed at each reporting date on an individual basis for major clients. In addition, a large number of minor receivables are grouped into homogenous groups and assessed for impairment collectively.

**Cash and cash equivalents**

The Company held cash and cash equivalents of Rs. 98.27 Lakh at 31 March 2020 (Rs. 73.33 Lakh at 31 March 2019). The cash and cash equivalents are held with bank and financial institution with high rating.

**Deposits with banks and financial institutions**

Credit risk from balances with banks and financial institutions is managed by the Company's treasury department in accordance with the Company's policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty.

Credit risk is managed on Company wide basis. For banks/financial institutions, only high rated banks/institutions are accepted.

**Loans**

The Company has given loans and advances as security deposits. The credit risk is managed by the Company in accordance with the Company's policy.

**(i) Exposure to credit risk**

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

| Particulars   | As at<br>31 March 2020 | As at<br>31 March 2019 |
|---|------------------------|------------------------|
| <b>Financial assets for which loss allowance is measured using 12 months Expected Credit Losses (ECL)</b> |                        |                        |
| Cash & cash equivalents   | 98.27                  | 73.33                  |
| Other financial assets  | 533.30                 | 3.32                   |
|   | <b>631.57</b>          | <b>76.66</b>           |
| <b>Financial assets for which loss allowance is measured using Life time Expected Credit Losses (ECL)</b> |                        |                        |
| Trade and other receivable  | 1,489.31               | 1,039.69               |
|   | <b>1,489.31</b>        | <b>1,039.69</b>        |





**SUDHA BIO POWER PRIVATE LIMITED**

**Notes to financial statements for the year ended 31 March 2020**

**(All amounts are in Lakhs, unless otherwise stated)**

**(ii) Provision for expected credit losses**

**(a) Financial assets for which loss allowance is measured using 12 month expected credit losses**

The Company has assets where the counter- parties have sufficient capacity to meet the obligations and where the risk of default is very low. Accordingly, loss allowance for impairment has not been recognised.

**(b) Financial assets for which loss allowance is measured using life time expected credit losses**

The Company has customers with strong capacity to meet the obligations and therefore the risk of default is negligible or nil. Further, management believes that the unimpaired amounts that are past due by more than 30 days are still collectible in full, based on historical payment behavior and extensive analysis of customer credit risk. Hence, no impairment loss has been recognised during the reporting periods in respect of trade receivables.

**(iii) Ageing analysis of trade receivables**

The ageing analysis of the trade receivables is as below:

| <b>Ageing</b>               | <b>As at 31 March 2020</b> | <b>As at 31 March 2019</b> |
|-----------------------------|----------------------------|----------------------------|
| <b>Not due</b>              | -                          | -                          |
| 0-30 days past due          | 441.12                     | 335.04                     |
| 31-60 days past due         | 379.13                     | 312.77                     |
| 61-90 days past due         | 656.98                     | 391.88                     |
| 91-180 days                 | 9.26                       | -                          |
| More than 180 days past due | 2.82                       | -                          |
|                             | <b>1,489.31</b>            | <b>1,039.69</b>            |

**(iv) Reconciliation of impairment loss provisions**

There is no impairment loss provisions recognised during the year.



**SUDHA BIO POWER PRIVATE LIMITED**

Notes to financial statements for the year ended 31 March 2020

(All amounts are in Lakhs, unless otherwise stated)

**2. Liquidity risk**

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company has an appropriate liquidity risk management framework for the management of short, medium and long term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate cash reserves, banking facilities and reserve borrowing facilities by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

The Company's treasury department is responsible for managing the short term and long term liquidity requirements of the Company. Short term liquidity situation is reviewed daily by Treasury. The Board of directors has established policies to manage liquidity risk and the Company's treasury department operates in line with such policies. Any breaches of these policies are reported to the Board of Directors. Long term liquidity position is reviewed on a regular basis by the Board of Directors and appropriate decisions are taken according to the situation.

Typically the Company ensures that it has sufficient cash on demand to meet expected operational expenses for a period of 60 days, including the servicing of financial obligations, this excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters.

The following are the contractual maturities of financial liabilities, based on contractual cash flows:

| Contractual maturities of financial liabilities as on 31 March 2020 | Not later than one year | Later than one year and not later than five years | Later than five years | Total           |
|---|-------------------------|---|-----------------------|-----------------|
| <b>Non-derivative financial liabilities</b>                         |                         |   |                       |                 |
| Term loans from banks   | 202.40                  | 303.61  | -                     | 506.01          |
| Cash Credit   | 678.72                  | -   | -                     | 678.72          |
| <b>Total</b>  | <b>881.12</b>           | <b>303.61</b>                                     | <b>-</b>              | <b>1,184.73</b> |

| Contractual maturities of financial liabilities as on 31 March 2019 | Not later than one year | Later than one year and not later than five years | Later than five years | Total           |
|---|-------------------------|---|-----------------------|-----------------|
| <b>Non-derivative financial liabilities</b>                         |                         |   |                       |                 |
| Term loans from banks   | 485.74                  | 498.53  | -                     | 984.27          |
| Cash Credit   | 589.82                  | -   | -                     | 589.82          |
| <b>Total</b>  | <b>1,483.32</b>         | <b>498.53</b>                                     | <b>-</b>              | <b>1,981.85</b> |



**SUDHA BIO POWER PRIVATE LIMITED**

Notes to financial statements for the year ended 31 March 2020

(All amounts are in Lakhs, unless otherwise stated)

**3. Market risk**

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

The Board of directors is responsible for setting up of policies and procedures to manage market risks of the Company. The regular reviews including diversifications of borrowings to mitigate the market risks are carried out considering the rates of interest and other borrowing terms.

**Currency risk**

The Company has no financial liabilities in foreign currency as at 31 March 2020 and 31 March 2019 and hence there is exposure to exchange rate fluctuation. For meeting this exposure, company has entered into hedging instrument to cover interest & foreign currency risk.

**Interest rate risk**

The Company is exposed to interest rate risk arising mainly from long term borrowings with floating interest rates. The Company is exposed to interest rate risk because the cash flows associated with floating rate borrowings will fluctuate with changes in interest rates. For meeting this exposure, company has entered into hedging instrument to cover interest & foreign currency risk.

At the reporting date the interest rate profile of the Company's interest-bearing financial instruments is as follows:

| Particulars                      | As at 31 March 2020 | As at 31 March 2019 |
|----------------------------------|---------------------|---------------------|
| <b>Financial Assets</b>          |                     |                     |
| <b>Fixed-rate instruments</b>    |                     |                     |
| Loans                            | 688.59              | 659.68              |
| Other financial assets           | 575.60              | 105.96              |
|                                  | <b>1,264.19</b>     | <b>765.63</b>       |
| <b>Financial Liabilities</b>     |                     |                     |
| <b>Fixed-rate instruments</b>    |                     |                     |
| Inter-corporate deposits         | -                   | 77.88               |
|                                  | -                   | <b>77.88</b>        |
| <b>Variable-rate instruments</b> |                     |                     |
| Secured term loan from bank      | 495.96              | 981.67              |
| Cash Credit                      | 678.72              | 589.82              |
|                                  | <b>1,174.68</b>     | <b>1,571.49</b>     |
|                                  | <b>1,174.68</b>     | <b>1,649.37</b>     |

**Fair value sensitivity analysis for fixed-rate instruments**

The Company's fixed rate instruments are carried at amortised cost. They are therefore not subject to interest rate risk, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

**Cash flow sensitivity analysis for variable-rate instruments**

A change of 50 basis points in interest rates at the reporting date would have increased (decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant. The analysis is performed on the same basis for the previous year.

| Particulars                 | Profit/ (loss), net of tax |                |
|-----------------------------|----------------------------|----------------|
|                             | 50 bp increase             | 50 bp decrease |
| <b>31 March 2020</b>        |                            |                |
| Secured term loan from bank | (2.47)                     | 2.47           |
| Cash credit                 | (3.39)                     | 3.39           |
|                             | <b>(5.86)</b>              | <b>5.86</b>    |
| <b>31 March 2019</b>        |                            |                |
| Secured term loan from bank | (3.25)                     | 3.25           |
| Cash credit                 | (1.95)                     | 1.95           |
|                             | <b>(5.20)</b>              | <b>5.20</b>    |





30 Fair Value Measurements

(a) Financial Instruments by category

| Particulars                  | 31 March 2020  |               |                 | 31 March 2019  |               |                 |
|------------------------------|----------------|---------------|-----------------|----------------|---------------|-----------------|
|                              | Carrying value |               |                 | Carrying value |               |                 |
|                              | FVTPL          | FVOCI         | Amortised Cost  | FVTPL          | FVOCI         | Amortised Cost  |
| <b>Financial assets</b>      |                |               |                 |                |               |                 |
| <b>Non-current</b>           |                |               |                 |                |               |                 |
| Loans                        | -              | -             | 688.59          | -              | -             | 659.68          |
| Other financial assets       | -              | -             | 42.31           | -              | -             | 102.63          |
| Investment                   | -              | 343.47        | -               | -              | 717.42        | -               |
| <b>Current</b>               |                |               |                 |                |               |                 |
| Trade receivables            | -              | -             | 1,489.31        | -              | -             | 1,039.69        |
| Cash and cash equivalents    | -              | -             | 98.27           | -              | -             | 73.33           |
| Other financial assets       | -              | -             | 533.30          | -              | -             | 3.32            |
| <b>TOTAL</b>                 | -              | <b>343.47</b> | <b>2,851.77</b> | -              | <b>717.42</b> | <b>1,878.66</b> |
| <b>Financial liabilities</b> |                |               |                 |                |               |                 |
| <b>Non Current</b>           |                |               |                 |                |               |                 |
| Borrowings                   | -              | -             | 293.56          | -              | -             | 573.81          |
| <b>Current</b>               |                |               |                 |                |               |                 |
| Borrowings                   | -              | -             | 678.72          | -              | -             | 589.82          |
| Trade payables               | -              | -             | 798.99          | -              | -             | 398.21          |
| Other financial liabilities  | -              | -             | 222.60          | -              | -             | 501.38          |
| <b>TOTAL</b>                 | -              | -             | <b>1,993.87</b> | -              | -             | <b>2,063.22</b> |

(b) Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the company has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.

Assets and liabilities which are measured at amortised cost for which fair values are disclosed

| Particulars             | 31 March 2020 |         |         | 31 March 2019 |         |         |
|-------------------------|---------------|---------|---------|---------------|---------|---------|
|                         | Level 1       | Level 2 | Level 3 | Level 1       | Level 2 | Level 3 |
| <b>Financial Assets</b> |               |         |         |               |         |         |
| Loans                   | -             | -       | 688.59  | -             | -       | 659.68  |
| Other financial assets  | -             | -       | 42.31   | -             | -       | 102.63  |

| Particulars                  | 31 March 2020 |         |         | 31 March 2019 |         |         |
|------------------------------|---------------|---------|---------|---------------|---------|---------|
|                              | Level 1       | Level 2 | Level 3 | Level 1       | Level 2 | Level 3 |
| <b>Financial liabilities</b> |               |         |         |               |         |         |
| Borrowings                   | -             | -       | 495.96  | -             | -       | 981.67  |

The Company has an established control framework with respect to the measurement of fair values. This includes a valuation team that has overall responsibility for overseeing all significant fair value measurements and reports directly to the Chief finance officer. The valuation team regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the valuation team assesses the evidence obtained from the third parties to support the conclusion that these valuations meet the requirements of Ind AS, including the level in the fair value hierarchy in which the valuations should be classified. Significant valuation issues are reported to the Company's audit committee.

Measurement of fair values

The different levels of fair value have been defined below:

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments and traded bonds that have quoted price.

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. The fair value of financial assets and liabilities included in Level 3 is determined in accordance with generally accepted pricing models based on discounted cash flow analysis using prices from observable current market transactions and dealer quotes of similar instruments. This level includes derivative MTM assets/liabilities.

Valuation technique used to determine fair value

Specific valuation technique used to value financial instruments include:

- the use of quoted market prices or dealer quotes for similar instruments
- the fair value of interest rate swaps is calculated as the present value of the estimated future cash flows based on observable yield curves
- the fair value of principal swaps is determined using forward exchange rates at the balance sheet date
- the fair value of the financial instruments is determined using discounted cash flow analysis.



**SUDHA BIO POWER PRIVATE LIMITED**

Notes to financial statements for the year ended 31 March 2020

(All amounts are in Lakhs, unless otherwise stated)

**(c) Fair value of financial assets and liabilities measured at amortised cost**

| Particulars                  | 31 March 2020   |                 | 31 March 2019   |                 |
|------------------------------|-----------------|-----------------|-----------------|-----------------|
|                              | Carrying Value  | Fair value      | Carrying Value  | Fair value      |
| <b>Financial assets</b>      |                 |                 |                 |                 |
| <b>Non-Current</b>           |                 |                 |                 |                 |
| Loans                        | 688.59          | 688.59          | 659.68          | 659.68          |
| Other financial assets       | 42.31           | 42.31           | 102.63          | 102.63          |
| <b>Current</b>               |                 |                 |                 |                 |
| Trade receivables            | 1,489.31        | 1,489.31        | 1,039.69        | 1,039.69        |
| Cash and cash equivalents    | 98.27           | 98.27           | 73.33           | 73.33           |
| Other financial assets       | 533.30          | 533.30          | 3.32            | 3.32            |
| <b>TOTAL</b>                 | <b>2,851.77</b> | <b>2,851.77</b> | <b>1,878.66</b> | <b>1,878.66</b> |
| <b>Financial liabilities</b> |                 |                 |                 |                 |
| <b>Non Current</b>           |                 |                 |                 |                 |
| Borrowings                   | 293.56          | 293.56          | 573.81          | 573.81          |
| <b>Current</b>               |                 |                 |                 |                 |
| Borrowings                   | 678.72          | 678.72          | 589.82          | 589.82          |
| Trade payables               | 798.99          | 798.99          | 398.21          | 398.21          |
| Other financial liabilities  | 222.60          | 222.60          | 501.38          | 501.38          |
| <b>TOTAL</b>                 | <b>1,993.87</b> | <b>1,993.87</b> | <b>2,063.22</b> | <b>2,063.22</b> |

The carrying amounts of trade receivables, trade payables, cash and cash equivalents, bank balances other than cash, deposits with banks and interest accrued but not due and other current financial assets and current financial liabilities, approximates the fair values, due to their short-term nature.

Non current financial assets consists of security deposits whose the carrying amounts are equal to the fair values.

For financial assets and liabilities that are measured at fair value, the carrying amounts are equal to the fair values.



**SUDHA BIO POWER PRIVATE LIMITED**

**Notes to financial statements for the year ended 31 March 2020**

**(All amounts are in Lakhs, unless otherwise stated)**

**31 Financial Risk Management**

The Company's principal financial liabilities comprise loans and borrowings in domestic currency, trade payables and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include loans, trade & other receivables, and cash and short-term deposits that derive directly from its operations.

The Company is exposed to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

This note explains the sources of risk which the entity is exposed to and how the entity manages the risk.

| <b>Risk</b>                      | <b>Exposure arising from</b>   | <b>Measurement</b>                            | <b>Management</b>   |
|----------------------------------|--|---|---|
| Credit Risk                      | Cash and cash equivalents, trade receivables, financial assets measured at amortised cost. | Ageing analysis<br>Credit ratings             | Diversification of bank deposits, credit limits and letters of credit |
| Liquidity risk                   | Borrowings and other liabilities   | Cash flow forecasting<br>Sensitivity analysis | Availability of borrowing facilities                                  |
| Market risk - interest rate risk | Long-term borrowings at variable rates   | Sensitivity analysis                          | Diversification and regular review of borrowings                      |

**Risk management framework**

The Company's activities makes it susceptible to various risks. The Company has taken adequate measures to address such concerns by developing adequate systems and practices. The Company's overall risk management program focuses on the unpredictability of markets and seeks to manage the impact of these risks on the Company's financial performance.

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. In order to institutionalize the risk management in the Company, an elaborate Enterprise wide Risk Management (ERM) framework has been developed. As a part of the implementation of ERM framework, an Enterprise Risk Management Committee (ERMC) with various Executive Directors as its members has been constituted with an objective to develop and monitor the Company's risk management policies and strengthen the risk management framework. Enterprise risk management committee after deliberations has identified enterprise wide risk and various action plans for short term as well as long term have been formulated to mitigate these risks.

The Committee is also responsible for reviewing and updating the risk profile, monitoring the effectiveness of the risk management framework and reviewing at least annually the implementation of the risk management policy and framework. The Committee reports regularly to the Board of Directors on its activities.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Company has policies covering specific areas, such as interest rate risk, credit risk, liquidity risk, and the use of non-derivative financial instruments. Compliance with policies and exposure limits is reviewed on a continuous basis.



**SUDHA BIO POWER PRIVATE LIMITED**

**Notes to financial statements for the year ended 31 March 2020**

**(All amounts are in Lakhs, unless otherwise stated)**

**32 Capital Management**

The Company's objectives when managing capital are to:

- safeguard its ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders and
- maintain an appropriate capital structure of debt and equity.

The Board of Directors has the primary responsibility to maintain a strong capital base and reduce the cost of capital through prudent management of deployed funds and leveraging opportunities in domestic and international financial markets so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board of Directors monitors the return on capital, which the Company defines as result from operating activities divided by total shareholders' equity. The Board of Directors also monitors the level of dividends to equity shareholders.

In order to achieve the overall objective, the company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches in the financial covenants of any interest-bearing loans and borrowings in the current period

The Company monitors capital, using a medium term view of three to five years, on the basis of a number of financial ratios generally used by industry and by the rating agencies.

The Company monitors capital using gearing ratio which is net debt divided by total equity. Net debt comprises of long term and short term borrowings. Equity includes equity share capital and reserves that are managed as capital. The gearing ratio at the end of the reporting periods was as follows:

|              | As at 31 March 2020 | As at 31 March 2019 |
|--------------|---------------------|---------------------|
| Total debts  | 1,174.68            | 1,649.37            |
| Total equity | 3,073.14            | 3,092.09            |

**Net debt to equity ratio**

0.38

0.53





**SUDHA BIO POWER PRIVATE LIMITED**

Notes to financial statements for the year ended 31 March 2020

(All amounts are in Lakhs, unless otherwise stated)

**33. Related party disclosures**

As per Ind As 24, the disclosure of transactions with related parties are given below:

| (a) Relationship | Name of related party   |
|------------------|---|
| Holding Company  | Sindhu Trade Links Limited  |
| Director/KMP     | Yashpal Saharan<br>Saurabh Sindhu   |
| Others           | Hari Bhoomi Communications Private Limited<br>Indus Automotives Private Limited<br>Sindhu Farms Private Limited<br>V.V. Transport |

**(b) Transactions with related parties:**

| Nature of Transactions    | Holding | KMP     | Others   | Total    |
|---------------------------|---------|---------|----------|----------|
| Director remuneration     | -       | 60.00   | -        | 60.00    |
|                           | -       | (60.00) | -        | (60.00)  |
| Loader Rent               | 15.75   | -       | -        | 15.75    |
|                           | (15.75) | -       | -        | (15.75)  |
| RCC Poles Sales           | -       | -       | 0.52     | 0.52     |
|                           | -       | -       | -        | -        |
| Advertisement & publicity | -       | -       | 0.63     | 0.63     |
|                           | -       | -       | (0.48)   | (0.48)   |
| Diesel purchase           | -       | -       | 24.53    | 24.53    |
|                           | -       | -       | (42.03)  | (42.03)  |
| Spare purchase            | 1.26    | -       | -        | 1.26     |
|                           | -       | -       | (1.11)   | (1.11)   |
| Purchase of napier grass  | -       | -       | 497.42   | 497.42   |
|                           | -       | -       | (497.42) | (497.42) |
| Purchase of rice husk     | -       | -       | 0.10     | 0.10     |
|                           | -       | -       | -        | -        |
| Purchase of wooden chips  | -       | -       | 1.56     | 1.56     |
|                           | -       | -       | -        | -        |
| Security deposit          | -       | -       | 498.47   | 498.47   |
|                           | -       | -       | (95.00)  | (95.00)  |

Figures in ( ) are of previous year 31 March 2019

**(c) Outstanding balances as at year end:**

| Particulars                   | Holding | KMP    | Others   | Total    |
|-------------------------------|---------|--------|----------|----------|
| Sundry creditors              | -       | -      | 493.26   | 493.26   |
|                               | -       | -      | (517.19) | (517.19) |
| Security deposit given        | -       | -      | 680.00   | 680.00   |
|                               | -       | -      | (649.21) | (649.21) |
| Rent payable                  | 2.53    | -      | -        | 2.53     |
|                               | (6.33)  | -      | -        | (6.33)   |
| Director remuneration payable | -       | 3.45   | -        | 3.45     |
|                               | -       | (3.45) | -        | (3.45)   |

Figures in ( ) are as at 31 March 2019



**SUDHA BIO POWER PRIVATE LIMITED**

Notes to financial statements for the year ended 31 March 2020

(All amounts are in Lakhs, unless otherwise stated)

**33 (d) Compensation of key Managerial Personnel**

The remuneration of director and other member of key managerial personnel during the year was as follows:

| Particulars         | 2019-20      | 2018-19      |
|---------------------|--------------|--------------|
| Short Term Benefits | 60.00        | 60.00        |
| <b>Total</b>        | <b>60.00</b> | <b>60.00</b> |

**34(a) Corporate Social responsibility (CSR)**

(i) CSR Amount required to be spent as per section 135 of the Companies Act, 2013 read with schedule VII thereof by the company during the year is Rs. 9.43 Lakh.

(ii) Expenditure related to corporate social responsibility is Rs. 2.00 Lakh (Previous year Rs. 2.00 Lakh).

**Details of amount spent towards CSR given below:**

| Particulars                               | 2019-20     | 2018-19     |
|---|-------------|-------------|
| Environment Conservation & Sustainability | 2.00        | 2.00        |
| <b>Total</b>                              | <b>2.00</b> | <b>2.00</b> |

**Note:-**

The Company is in the process of finalizing the CSR expenditure as required by the law, process for the same and has already started in the area of Girls Education and Promoting gender equality and empowering women in the rural areas. The Company always believes in the betterment of the society as a whole and is definitely looking forward towards its participation in the activities prescribed in CSR policy.

**34(b) Contingent liabilities and Commitments**

| Particulars  | 2019-20       | 2018-19       |
|--|---------------|---------------|
| Claims against the Company, not acknowledged as debts* | 806.40        | 806.40        |
|  | <b>806.40</b> | <b>806.40</b> |

\*Claims against the Company, not acknowledged as debts for the year ended 31 March 2020 and 31 March 2019 include demand from the Chief Electrical Inspector (Electricity Departments) for the payment of Electricity Duty and Interest of Rs. 806.40 Lakh (Previous year: Rs. 806.40 Lakh).

The writ petition filed by the company is pending in the High Court of C.G.



**SUDHA BIO POWER PRIVATE LIMITED**

Notes to financial statements for the year ended 31 March 2020

(All amounts are in Lakhs, unless otherwise stated)

| 35 Auditor's Remuneration | As at         | As at         |
|---------------------------|---------------|---------------|
|                           | 31 March 2020 | 31 March 2019 |
| Audit Fees                | 3.01          | 3.01          |
| GST/ Service Tax          | 0.54          | 0.54          |
|                           | <b>3.55</b>   | <b>3.55</b>   |

36 In the opinion of the management, the value on realisation of current assets, loans & advances in the ordinary course of business would not be less than the amount at which they are stated in the Balance Sheet and provisions for all known liabilities has been made.

37 Previous year figures have been regrouped and rearranged wherever necessary in line with Ind AS.

As per our report of even date attached

**For NGC & Associates**

Chartered Accountants

Firm Registration No.: 033401N



**Dharmender Singhal**

Partner

Membership No.: 515984



For and on behalf of the Board of Directors of  
**Sudha Bio Power Private Limited**



**Sarabh Sindhu**

Director

DIN: 02291158



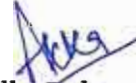
**Yashpal Saharan**

Director

DIN: 00824167

Place : New Delhi

Date : 03.09.2020



**Alka Dabas**

Company Secretary

PAN: BTDPD4203P