



**S. K. BAJPAI & CO.**  
Chartered Accountants



## INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF  
SARJU VALLEY HYDEL PROJECTS COMPANY PRIVATE LIMITED

### Report on the Standalone Ind AS Financial Statements

#### Opinion

We have audited the accompanying standalone Ind AS financial statements of **SARJU VALLEY HYDEL PROJECTS COMPANY PRIVATE LIMITED** which comprises Ind AS Balance Sheet as at March 31, 2020, the Statement of Profit & Loss (including Other Comprehensive Income), Statement of Changes in Equity and statement of cash flows for the year then ended, and Ind AS notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the Ind AS and accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, and profit/loss, other comprehensive income, the changes in equity and its cash flows for the year then ended and notes to the Ind AS Financial Statements summary of significant accounting policies and other explanatory information.

#### Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the 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 standalone Ind AS financial statements under the provisions of the Companies Act, 2013 and the Rules there under, 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 our opinion.

#### Emphasis of Matter




We draw attention to Note No. 5 of the Ind AS financial statements regarding Capital work-in-progress of **Rs 1111.32** lakhs as on 31<sup>st</sup> March 2020. Same amount is appearing in the audited Balance sheet/Audit report of the previous financial year i.e. 2018-19. The Management has physically verified and reported that no progress related to this project was made in the financial year 2019-20. Accordingly, the assets' valuation, as worked out by the management also, is the same as was there in the audited balance sheet of the financial year 2018-19.



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OFFICES

AGRA

NOIDA

NEW DELHI

FIROZABAD

LUCKNOW

## **Other Information**

The Board of Directors is responsible for the other information which Comprises various information but does not include the financial statements and our auditor's report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the 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.

## **Responsibilities of Management for the Standalone Ind AS Financial Statements**

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance, including other comprehensive income, changes in equity and cash flows of the Company in accordance with accounting principles generally accepted in India, including 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 of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate implementation and maintenance of 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 standalone Ind AS financial statement 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 is 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 Standalone Ind AS Financial Statement**

Our objectives are to obtain reasonable assurance about whether the Standalone 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 of 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 standalone 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 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, misrepresentations, 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 Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has internal financial controls with reference to Financial Statements 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 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 financial statements, including the disclosures, and whether the 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 Companies Act, 2013, 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 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 purpose 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 Ind AS Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended.
- e) On the basis of the written representations received from the directors as on 31st March, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31st 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 Control with reference to Financial Statements of the Company and the operating effectiveness of such controls, refer to our separate Report in **“AnnexureB”**. Our report express an unmodified opinion on the adequacy and operating effectiveness of the company’s internal financial control over financial reporting.
- g) 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, in our opinion and to the best of our information and according to the explanations given tous:
- i) The Company has no pending litigations which would impact its financial position- Refer Note no.19 to Ind AS financial statement.
- ii) The company did not have material foreseeable losses on long term contracts including derivative contracts.
- iii) There are no amounts required to be transferred to the Investors Education and Protection fund.

For **S.K.Bajapi & Company**  
Chartered Accountants  
Firm’s Registration No.004330C



A handwritten signature in blue ink, appearing to be 'Amit Kumar', written over a horizontal line.

(CA AMIT KUMAR)  
Partner  
M.No. 400433

Dated: 08<sup>th</sup> Dec'2020  
Place : New Delhi  
UDIN: 21400433AAAABB7655

**Referred to in paragraph 1 under the heading 'Report on Other Legal & Regulatory Requirement' of our report of even date to the members of 'The Company' for the year ended 31<sup>st</sup> March 2020**

On the basis of such checks as we considered appropriate and according to the information and explanations given to us during the course of our audit, we state that:

1. The Company does not have any property, plant and equipment (fixed assets) and accordingly, the provision of clause 3 (i) of the Order are not applicable to the company.
2. The company does not have any inventory and accordingly, the provisions of clause 3 (ii) of the order are not applicable to the company.
3. The company has not granted any loans, secured or unsecured, to companies, firms, limited liability partnership or other parties covered in the register maintained under section 209 of the Act. Accordingly, the provision of clause 3 (iii) of the Order are not applicable to the company.
4. The company has not granted any loans, made any investment, provided guarantees or securities covered under section 205 and 206 of the Act. Accordingly, the provision of clause 3 (iv) of the Order are not applicable to the company.
5. No deposits within the meaning of directives issued by Reserve Bank Of India (R.B.I) and sections 73 to 76 or any other relevant provisions of the Act and the rules framed there under have been accepted by the company.
6. According to the information and the explanation given to us, the Central Government has not prescribed maintenance of cost records under clause (d) of the sub-section (1) of section 148 of the Act in respect of the Company's products. Accordingly the provision of clause 3 (vi) of the Order are not applicable to the company.
7. (a) According to information and explanations given to us and on the basis of our examination of the records of the company, the company is generally regular in depositing undisputed statutory dues including Provident Fund, Income-Tax, Sales tax, Goods and Service Tax, Duty of Customs, Duty of Excise, Value added Tax, Cess and any other statutory dues applicable to the company with appropriate authorities. No undisputed amounts payable in respect of the aforesaid statutory dues were outstanding as at the last day of the financial year for a period of more than six months from the date they become payable.  
  
(b) According to the information and explanations given to us and on the basis of our examination of the records of the company, there are no dues of Income tax, sales tax, service tax, goods and service tax, duty of customs, duty of excise and value added tax



which have not been deposited on account of any dispute.

8. The company had not borrowed any amount from Financial Institutions, banks, government or debenture holders during the year. Accordingly, the provisions of clause 3 (viii) of the Order are not applicable to the company.
9. The company has not raised money through Initial public offer or further public offer ( including debts instruments) or term loan during the year. Accordingly, the provisions of clause 3 (ix) of the Order are not applicable to the company.
10. During the course of our examination of the books and the records of the company, carried out in accordance with the generally accepted auditing practices in India and accordingly the information and explanation given to us, we have neither come across any instances of fraud by or on the company by its officers or employees, noticed or reported during the year nor have we been informed of such case by the management.
11. According to the information and explanation given to us, no managerial remuneration has been paid or provided for during the year and accordingly, the provisions of clause 3 (xi) of the Order are not applicable to the company.
12. In our opinion and according to the information and explanation given to us, Company is not a Nidhi Company. Accordingly, the provisions of clause 3 (xii) of the Order are not applicable to the company.
13. During the course of our examination of the books and records of the company, carried out in accordance with the generally accepted auditing practices in India and according to the information and explanation given to us, all transactions with the related party are in compliance with section 208 of the Act and the details have been disclosed as required by the applicable Ind AS ( Refer Note no. 20 to the standalone Ind AS Financial Statements.)



14. The company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, the provisions of clause 3 (xiv) of the Order are not applicable to the company.
15. Based on information and explanation given to us, the company has not entered into any non-cash transaction prescribed under section 202 of the act with directors or persons connected with them during the year. Accordingly, the provisions of clause 3 (xv) of the Order are not applicable to the company.
16. The company is not required to be registered under Section 45-IA of the Reserve Bank Of India Act. 1934.

**For S.K.Bajpai & Company**  
*Chartered Accountants*  
Firm's Registration No.004330C



A handwritten signature in blue ink, appearing to be 'Amit Kumar'.

(CA AMIT KUMAR)  
*Partner*

Dated: 08<sup>th</sup> Dec'2020  
Place : New Delhi  
UDIN: 21400433AAAABB7655

MembershipNo.400433

## Annexure “B”

### **Report on the Internal Financial Control under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)**

We have audited the internal financial controls over financial reporting of **SARJU VALLEY HYDEL PROJECTS COMPANY PRIVATE LIMITED** as of March 31, 2020 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

#### **Management’s Responsibility for Internal Financial Controls**

The Company’s management is responsible for establishing and maintaining internal financial controls based on “the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India”. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### **Auditors’ Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgments, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system over financial reporting.





### **Meaning of Internal Financial Controls Over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that;

- (1) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and
- (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial control system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2020, based on "the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India".

*For S.K.Bajpai & Company*  
*Chartered Accountants*  
Firm's Registration No.004330C



A handwritten signature in blue ink, appearing to be "Amit Kumar", written over a horizontal line.

(CA AMIT KUMAR)  
*Partner*  
Membership No.400433

Dated: 08<sup>th</sup> Dec'2020  
Place: Delhi  
UDIN: 21400433AAAABB7655

**SARJU VALLEY HYDEL PROJECTS COMPANY PRIVATE LIMITED**  
**BALANCE SHEET AS AT MARCH 31, 2020**

Rs in Lakhs

Particulars	Note	As at March 31, 2020	As at March 31, 2019
<b>ASSETS</b>			
<b>Non-current assets</b>			
Capital work-in-progress	5	1,111.32	1,111.32
<b>Total non-current assets</b>		<b>1,111.32</b>	<b>1,111.32</b>
<b>Current assets</b>			
<b>Financial assets</b>			
Cash and cash equivalents	6	0.23	0.23
<b>Total current assets</b>		<b>0.23</b>	<b>0.23</b>
<b>Total assets</b>		<b>1,111.55</b>	<b>1,111.55</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	7	1.00	1.00
Other equity		(572.32)	(461.93)
<b>Total equity</b>		<b>(571.32)</b>	<b>(460.93)</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
<b>Financial liabilities</b>			
Borrowings	8	1,100.00	1,100.00
Deferred tax liabilities	23C	-	-
<b>Total non-current liabilities</b>		<b>1,100.00</b>	<b>1,100.00</b>
<b>Current liabilities</b>			
<b>Financial liabilities</b>			
Borrowings	8	1.96	1.34
Trade payables	9	-	-
- total outstanding dues of micro and small enterprises		-	-
- total outstanding dues of creditor other than micro and small enterprises		3.79	4.03
Other financial liabilities	10	577.06	467.06
Other current liabilities	11	0.05	0.05
<b>Total current liabilities</b>		<b>582.87</b>	<b>472.48</b>
<b>Total equity and liabilities</b>		<b>1,111.55</b>	<b>1,111.55</b>
		(0.00)	-

Significant accounting policies- see note 2 to 4

The accompanying notes are an integral part of the financial statements

As per our report of even date attached

For S.K. Bajpai & Co.

Firm Registraton Number - 00433C

Chartered Accountants



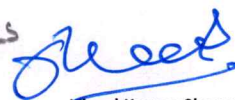
CA Amit Kumar  
Partner  
M. No. 400433



For and on behalf of the Board of Directors

Sarju Valley Hydrel Projects Company Private Limited

\*VKS



Vinod Kumar Sharma  
Director  
DIN No. 02879206



Aman Jain  
Director  
DIN No. 08187995

Place: New Delhi

Date: 08th December 2020

UDIN: 21400433AAAA087655

Place:

Date: 08th December 2020

Place:

Date: 08th December 2020

**SARJU VALLEY HYDEL PROJECTS COMPANY PRIVATE LIMITED**  
**STATEMENT OF PROFIT AND LOSS FOR YEAR ENDED MARCH 31, 2020**

Rs in Lakhs

Particulars	Note	For the year ended March 31, 2020	For the year ended March 31, 2019
<b>REVENUE :</b>			
Revenue from operations		-	-
Other income		-	-
<b>Total income</b>	<b>12</b>	<b>-</b>	<b>-</b>
<b>EXPENSES :</b>			
Finance costs	13	110.00	112.90
Other expenses	14	0.39	2.61
<b>Total expenses</b>		<b>110.39</b>	<b>115.51</b>
<b>Loss before taxation</b>		<b>(110.39)</b>	<b>(115.51)</b>
<b>Income tax expense</b>			
Current tax			-
Deferred tax charge/(credit)			(0.90)
<b>Loss after tax for the year</b>		<b>(110.39)</b>	<b>(114.61)</b>
<b>Other comprehensive income</b>			
Items that will not be reclassified to profit or loss		-	-
Items that will be reclassified to profit or loss		-	-
Tax on above		-	-
<b>Total comprehensive income for the year</b>		<b>(110.39)</b>	<b>(114.61)</b>
Earnings per equity share of Rs 10 each, fully paid up - Basic & Diluted	15	(1,103.87)	(1,146.10)

Significant accounting policies- see note 2 to 4

The accompanying notes are an integral part of the financial statements

As per our report of even date attached  
 For S.K. Bajpai & Co.  
 Firm Registraton Number - 00433C  
 Chartered Accountants

**For and on behalf of the Board of Directors**  
 Sarju Valley Hydel Projects Company Private Limited

CA Amit Kumar  
 Partner  
 M. No. 400433



\*VKS

*[Handwritten signature of Vinod Kumar Sharma]*

Vinod Kumar Sharma  
 Director  
 DIN No. 02879206

*[Handwritten signature of Aman Jain]*

Aman Jain  
 Director  
 DIN No. 08187995

Place: New Delhi  
 Date: 08th December 2020

Place:  
 Date: 08th December 2020

Place:  
 Date: 08th December 2020

UDIN: 21400433AAAAB B 7655

**SARJU VALLEY HYDEL PROJECTS COMPANY PRIVATE LIMITED  
STATEMENT OF CASH FLOWS FOR YEAR ENDED MARCH 31, 2020**

Rs in Lakhs

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
<b>Cash flows from operating activities</b>		
Loss before tax	(110.39)	(115.51)
<b>Adjustments for:</b>		
Income on fair valuation of interest free loan (net)		
Finance costs	110.00	112.90
Expenses written back		-
<b>Movement in working capital:</b>		
Increase/(decrease) in trade payable and other financial liabilities	(0.24)	0.90
Increase/(decrease) in other liabilities	0.00	0.05
Increase/(decrease) in provisions		-
<b>Cash generated from operations</b>	<b>(0.62)</b>	<b>(1.66)</b>
Income tax paid/ refunded	-	-
<b>Cash generated from operations [A]</b>	<b>(0.62)</b>	<b>(1.66)</b>
<b>Cash used in investing activities [B]</b>	<b>-</b>	<b>-</b>
<b>Cash flow from financing activities</b>		
Proceeds from /(repayment of) borrowings	0.62	0.57
Interest paid	-	-
<b>Cash used in financing activities [C]</b>	<b>0.62</b>	<b>0.57</b>
<b>Net decrease in cash and cash equivalents [A+B+C]</b>	<b>(0.00)</b>	<b>(1.09)</b>
Add: Cash and cash equivalents at the beginning of the year	0.23	1.32
Cash and cash equivalents at the end of the year	0.23	0.23

Significant accounting policies- see note 2 to 4  
The accompanying notes are an integral part of the financial statements


As per our report of even date attached  
For S.K. Bajpai & Co.  
Firm Registraton Number - 00433C  
Chartered Accountants


  
CA Amit Kumar  
Partner  
M. No. 400433



For and on behalf of the Board of Directors  
Sarju Valley Hydrel Projects Company Private Limited

\*VKS

  
Vinod Kumar Sharma  
Director  
DIN No. 02879206

  
Aman Jain  
Director  
DIN No. 08187995

Place: New Delhi  
Date: 08th December 2020

Place:  
Date: 08th December 2020

Place:  
Date: 08th December 2020

**UDIN: 21400433AAAA 007655**

**SARJU VALLEY HYDEL PROJECTS COMPANY PRIVATE LIMITED**  
**STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2020**

a) Equity share capital		Rs in Lakhs	
Particulars	Amount		
Balance as at 01st April 2019	1.00		
Changes in share capital during the year	-		
Balance as at March 31, 2020	1.00		

b) Other equity		Rs in Lakhs	
Particulars	Reserves and Surplus		Total
	Securities Premium Reserve	Retained Earnings	
Balance as on 31-03-2019	-	(461.93)	(461.93)
Loss for the year	-	(110.387)	(110.39)
Other comprehensive income for the year	-	-	
Balance as on 31-03-2020	-	(572.32)	(572.32)

Significant accounting policies- see note 2 to 4

The accompanying notes are an integral part of the financial statements

As per our report of even date attached

For S.K. Bajpai & Co.

Firm Registraton Number - 00433C

Chartered Accountants



CA Amit Kumar

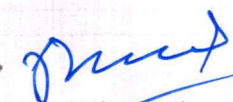
Partner

M. No. 400433



For and on behalf of the Board of Directors

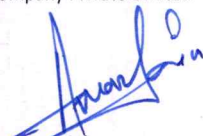
Sarju Valley Hydel Projects Company Private Limited

\*VKS 

Vinod Kumar Sharma

Director

DIN No. 02879206



Aman Jain

Director

DIN No. 08187995

Place: New Delhi

Date: 08th December 2020

Place:

Date: 08th December 2020

Place:

Date: 08th December 2020

UDIN: 21400433AAAABD7655

**SARJU VALLEY HYDEL PROJECTS COMPANY PRIVATE LIMITED**  
**Ind AS notes to financial statement**

**NOTE 1**

**1 CORPORATE INFORMATION**

Sarju Valley Hydel Projects Company Private Limited ("the Company") was incorporated on 19th March 2007. The Company on completion of pre-feasibility report has been granted permission for setting up of 5.50 MW Hydel power plant by the Government of Uttarakhand.

**NOTE 2**

**2 BASIS OF PREPARATION, MEASUREMENT AND SIGNIFICANT ACCOUNTING POLICIES**

**2.01 Basis of preparation of financial statements**

The financial statements have been prepared in accordance with Indian Accounting Standards (Ind As) under the historical cost convention on the accrual basis except for certain financial instruments which are measured at fair values and the provisions of the Companies Act, 2013 ('the Act') (to the extent notified). The IND AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules 2015 and and relevant amendment rules issued there after.

**2.02 Functional and presentation currency**

Items included in the financial statements Company are measured using the currency of the primary economic environment in which the Company operates ("the functional currency"). Indian rupee is the functional currency of the Company.

The financial statements are presented in Indian Rupees which is the Company's presentation in Indian Rupees has been rounded up to the nearest lakhs except where otherwise indicated.

**2.03 Use of estimates**

The preparation of financial statements in conformity of Ind AS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, the disclosures of contingent assets and contingent liabilities at the date of financial statements, income and expenses during the period. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in future periods which are affected.

Application of accounting policies that require critical accounting estimates and assumption having the most significant effect on the amounts recognised in the financial statements are:

Valuation of financial instruments  
Useful life of property, plant and equipment  
Provisions

**2.04 Current versus non-current classification**

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification in accordance with Division II of Schedule III of The Companies Act, 2013.

**NOTE 3**

**3 Standards issued but not yet effective**

**3.01 Issue of Ind AS 117 – Insurance Contract**

Ind AS 117 supersedes Ind AS 104 Insurance contracts. It establishes the principles for the recognition, measurement, presentation and disclosure of insurance contracts within the scope of the standard. Under the Ind AS 117 model, insurance contract liabilities will be calculated as the present value of future insurance cash flows with a provision for risk. Application of this standard is not expected to have any significant impact on the Company's financial statements.

**3.02 Amendments to existing Standards:** Ministry of Corporate Affairs has carried out amendments of the following accounting standards: (i) Ind AS 103: Business Combination (ii) Ind AS 1: Presentation of Financial Statements and Ind AS 8, Accounting Policies, Changes in Accounting Estimates and Errors (iii) Ind AS 40: Investment Property The Company is in the process of evaluating the impact of the new amendments issued but not yet effective.

**NOTE 4**

**4 Summary of significant accounting policies**

**4.01 Fair value measurement**

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:

In the principal market for the asset or liability, or

In the absence of a principal market, in the most advantageous market for the asset or liability

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 Management 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, such as assets held for distribution in discontinued operations.

At each reporting date, the Management analyses the movements in the values of assets and liabilities which are required to be premeasured or re-assessed as per the Company's accounting policies. For this analysis, the Management verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

The management also compares the change in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

This note summarises accounting policy for fair value. Other fair value related disclosures are given in the relevant notes.



#### 4.02 Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties.

#### Interest & dividend income

The interest and dividends are recognized only when no uncertainty as to measurability or collectability exists. Interest on fixed deposits is recognized on time proportion basis taking into account the amount outstanding and the rate applicable.

#### 4.03 Taxes

Income tax expense for the year comprises of current tax and deferred tax. It is recognised in the Statement of Profit and Loss except to the extent it relates to a business combination or to an item which is recognised directly in equity or in other comprehensive income.

Current tax is the expected tax payable/receivable on the taxable income/ loss for the year using applicable tax rates at the Balance Sheet date, and any adjustment to taxes in respect of previous years. Interest income/ expenses and penalties, if any, related to income tax are included in current tax expense.

Deferred tax is recognised in respect of temporary differences between the carrying amount of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes.

A deferred tax liability is recognised based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted, or substantively enacted, by the end of the reporting period. Deferred tax assets are recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle the asset and the liability on a net basis. Deferred tax assets and deferred tax liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities; and the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority.

#### 4.04 Property, plant and equipment

Property, plant and equipment is stated at cost less accumulated depreciation and where applicable accumulated impairment losses. Property, plant and equipment and capital work in progress cost include expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials, direct labour and any other costs directly attributable to bringing the asset to a working condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located. Purchased software that is integral to the functionality of the related equipment is capitalized as part of that equipment.

When 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.

Gains and losses on disposal with the carrying amount of Property, Plant and Equipment and are determined by comparing the proceeds from disposal with the carrying amount of Property, Plant and Equipment and are recognised net within "other income/other expenses" in the Statement of Profit and Loss.

#### Subsequent Cost

The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The carrying amount of the replaced part is de-recognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in the Statement of Profit and Loss.

#### Depreciation

During the year, the Company has changed the depreciation method from straight line method to written down value. Depreciation is calculated on pro-rata basis on a written down value basis using useful lives of the assets as prescribed under Schedule II to the Companies Act 2013.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is derecognised.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

#### 4.05 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.





#### 4.06 Contingent liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the company or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The contingent liability is not recognised in books of account but its existence is disclosed in financial statements.

Disclosures for contingent liability is made when there is a possible obligation or present obligation that may, but probably will not require an outflow of resources when there is possible obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

#### 4.07 Impairment of non-financial assets

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or Company's of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

#### 4.08 Provisions

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. When the Company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

#### 4.09 Financial instruments

Financial assets are recognised when the Company becomes a party to the contractual provisions of the instrument.

On initial recognition, a financial asset is recognised at fair value, in case of Financial assets which are recognised at fair value through profit and loss (FVTPL), its transaction cost are recognised in the statement of profit and loss. In other cases, the transaction cost are attributed to the acquisition value of the financial asset.

Financial assets are subsequently classified as measured at

- **amortised cost:** Financial assets that are held within a business model whose objective is to hold financial assets in order to collect contractual cash flows that are solely payments of principal and interest, are subsequently measured at amortised cost using the effective interest rate ('EIR') method less impairment, if any. The amortisation of EIR and loss arising from impairment, if any is recognised in the Statement of Profit and Loss.
- **fair value through profit and loss (FVTPL):** A financial asset not classified as either amortised cost or FVOCI, is classified as FVTPL. Such financial assets are measured at fair value with all changes in fair value, including interest income and dividend income if any, recognised as 'other income' in the Statement of Profit and Loss.
- **fair value through other comprehensive income (FVOCI):** Financial assets that are held within a business model whose objective is achieved by both, selling financial assets and collecting contractual cash flows that are solely payments of principal and interest, are subsequently measured at fair value through other comprehensive income. Fair value movements are recognized in the other comprehensive income (OCI). Interest income measured using the EIR method and impairment losses, if any are recognised in the Statement of Profit and Loss. On derecognition, cumulative gain or loss previously recognised in OCI is reclassified from the equity to 'other income' in the Statement of Profit and Loss.

Financial assets are not reclassified subsequent to their recognition, except if and in the period the Company changes its business model for managing financial assets.

#### Derecognition

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the contractual rights to receive the cash flows from the asset.



#### Impairment of Financial Asset

Expected credit losses are recognized for all financial assets subsequent to initial recognition other than financial assets in FVTPL category.

For financial assets other than trade receivables, as per Ind AS 109, the Company recognises 12 month expected credit losses for all originated or acquired financial assets if at the reporting date the credit risk of the financial asset has not increased significantly since its initial recognition. The expected credit losses are measured as lifetime expected credit losses if the credit risk on financial asset increases significantly since its initial recognition. The Company's trade receivables do not contain significant financing component and loss allowance on trade receivables is measured at an amount equal to life time expected losses i.e. expected cash shortfall.

The impairment losses and reversals are recognised in Statement of Profit and Loss.

#### Financial Liabilities:

##### Initial recognition and measurement

Financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial liabilities are initially measured at the amortised cost unless at initial recognition, they are classified as fair value through profit and loss. In case of trade payables, they are initially recognised at fair value and subsequently, these liabilities are held at amortised cost, using the effective interest method.

##### Subsequent measurement

Financial liabilities are subsequently measured at amortised cost using the EIR method. Financial liabilities carried at fair value through profit or loss are measured at fair value with all changes in fair value recognised in the Statement of Profit and Loss.

#### Derecognition

A financial liability is derecognised when the obligation specified in the contract is discharged, cancelled or expires.

#### 4.10 Statement of Cash Flows and Cash and Cash Equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, as they are considered an integral part of the Company's cash management.

The company provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the Balance Sheet for liabilities arising from financing activities, to meet the disclosure requirement.

#### 4.11 Lease

Lease in which a substantial portion of the risk and rewards of ownership are retained by the lessor are classified as operating leases. payments and receipts are recognised to the Statement of Profit and Loss on a straight line basis over the term of the lease unless the lease payments to the lessor are structured to increase in line with expected general inflation to compensate for lessors expected inflationary costs increases, in which case the same are recognised as an expense in line with the contractual terms.

#### 4.12 Earnings per share

Basic earnings per share is computed by dividing the net profit for the period attributable to the equity shareholders of the Company by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.



**SARJU VALLEY HYDEL PROJECTS COMPANY PRIVATE LIMITED**  
**Ind AS notes to financial statement**

Rs in Lakhs

	As at March 31, 2020	As at March 31, 2019
<b>NOTE 5</b>		
<b>Capital work-in-progress</b>		
Pre-operative expenses	1,111.32	1,111.32
	1,111.32	1,111.32
<b>Capital Work In Progress includes Pre-operative expenditure incurred during implementation of project as given below :</b>		
<b>Capital work-in-progress - Opening Balance</b>	1,111.32	1,111.32
Add: Transfer from Statement of Profit and Loss		
Salary and wages	-	-
Rent	-	-
Rates and taxes	-	-
Legal and professional charges	-	-
Travelling and conveyance expenses	-	-
Project development expenses	-	-
Other borrowing cost	-	-
Miscellaneous expenses	-	-
<b>Capital work-in-progress - Closing Balance</b>	1,111.32	1,111.32
<b>NOTE 6</b>		
<b>Cash and cash equivalents</b>		
Balances with banks		
On current accounts	0.23	0.23
	0.23	0.23





**SARJU VALLEY HYDEL PROJECTS COMPANY PRIVATE LIMITED**  
**Ind AS notes to financial statement**

	As at March 31, 2020	As at March 31, 2019
<b>NOTE 8</b>		
<b>Borrowings (non-current)</b>		
<b>Unsecured</b>		
Preference shares (Refer note no. 7a)	1,100.00	1,100.00
<b>Unsecured</b>		
Holding Company (Interest free)	-	-
	<b>1,100.00</b>	<b>1,100.00</b>
<b>Borrowings (current)</b>		
<b>Unsecured</b>		
<b>From related parties</b>		
Associate company	1.75	1.13
Others	0.21	0.21
	<b>1.96</b>	<b>1.34</b>
<b>Terms of Repayment</b>		
These loans are repayable on demand		
<b>NOTE 9</b>		
<b>Trade payables</b>		
Due to micro, small and medium enterprises*	-	-
Others	3.79	4.03
	<b>3.79</b>	<b>4.03</b>
* Refer note no. 16 for disclosure under Micro, Small and Medium Enterprise Development Act.		
<b>NOTE 10</b>		
<b>Other financial liabilities</b>		
Current maturity of long term debts		
Holding company	27.06	27.06
Interest on preference shares (Refer note no. 7a)	550.00	440.00
	<b>577.06</b>	<b>467.06</b>
<b>NOTE 11</b>		
<b>Other current liabilities</b>		
Statutory dues payable	0.05	0.05
	<b>0.05</b>	<b>0.05</b>



**SARJU VALLEY HYDEL PROJECTS COMPANY PRIVATE LIMITED**  
**Ind AS notes to financial statement**

	For year ended March 31, 2020	For year ended March 31, 2019
<b>NOTE 12</b>		
<b>Other income</b>		
Liability no longer required written back	-	-
<b>NOTE 13</b>		
<b>Finance costs</b>		
Interest on preference shares (Refer note no. 7a)	110.00	110.00
Interest charges on unwinding of discount	-	2.90
	<b>110.00</b>	<b>112.90</b>
<b>NOTE 14</b>		
<b>Other expenses</b>		
Payment to auditors:		
- As audit fees (excluding tax)	0.31	0.27
Rent	-	-
Professional charges	0.03	1.32
Rates and taxes	-	-
Bank Charges	0.04	0.07
Miscellaneous expenses	-	0.95
	<b>0.38</b>	<b>2.61</b>



**SARJU VALLEY HYDEL PROJECTS COMPANY PRIVATE LIMITED**  
Ind AS notes to financial statement

**NOTE 15**

**Earnings Per share**

	For year ended March 31, 2020	For year ended March 31, 2019
Loss after tax available for equity shareholders (Rs in lakhs)	(110.39)	(114.61)
Weighted average number of equity shares	10,000	10,000
Nominal value of equity shares	10	10
Basic and diluted Earnings Per Share (in Rs.)	(1,103.87)	(1,146.10)

**NOTE 16**

**Disclosure under MSMED Act, 2006**

The details of amounts outstanding to Micro, Small and Medium Enterprises under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act), based on the available information with the Company are as under:

	As at March 31, 2020	As at March 31, 2019
1) Principal amount outstanding	-	-
2) Principal amount due and remaining unpaid	-	-
3) Interest due on (2) above and the unpaid interest	-	-
4) Interest paid on all delayed payments under the MSMED Act.	-	-
5) Payment made beyond the appointed day during the year	-	-
6) Interest due and payable for the period of delay other than (4) above	-	-
7) Interest accrued and remaining unpaid	-	-
8) Amount of further interest remaining due and payable in succeeding years	-	-

**NOTE 17**

**Segment Reporting**

The Company's Board of Directors are been identified as the Chief Operating Decision Maker (CODM) as defined under Ind AS 108 "Operating Segments". The CODM evaluates the Company's performance and allocates the resources based on an analysis of various performance indicators. The Company is engaged primarily in the business setting up of power plant for "generation of electricity" and all other activities are incidental thereto in India. Since all these segments meet the aggregation criteria as per the requirements of Ind AS 108 on 'Operating segments', the management considers these as a single reportable segment. Accordingly, disclosure of segment information has not been furnished.

**NOTE 18**

**Lease transactions**

The company had taken a premise under cancellable operating leases. Rental expenses towards cancellable operating lease amounts to Rs. nil (Previous year Rs. 0.17 lakhs). The aggregate lease rentals are included as "Rent" in Note 17 of the financial statement.

**NOTE 19**

**Contingent liabilities and commitments**

**Contingent liabilities**

The Company does not have any contingent liability as at March 31, 2020 (March 31, 2019 - Nil). There are no legal cases by and against the Company.

**Capital Commitments**

	As at March 31, 2020	As at March 31, 2019
Estimated amounts of contracts remaining to be executed on capital account	-	-



**NOTE 20**

**Related party relationships and transaction**

Relationship	Name of the Parties
a) Holding Company	Energy Development Company Ltd.
a.1) Associate company	Smart Hydel Power Limited.
b) Other Related Parties	Essel Infracorps Limited.

**Related companies transactions:**

Particulars	Relationship of related party	Name of related party	For the year ended March 31, 2020	For the year ended March 31, 2019
Loans taken	Ultimate Holding company	Energy Development Company Limited	-	-
Loans repaid	Ultimate Holding company	Energy Development Company Limited	-	-
Loans repaid	Intermediary Holding Company	Smart Hydel Power Limited	-	-
Loans taken	Intermediary Holding Company	Smart Hydel Power Limited	0.62	0.57
Short Term Borrowings Taken	Other Related Party	Essel Infracorps Limited	-	0.14

**Related companies balances:**

Particulars	Relationship of related party	Name of related party	As at March 31, 2020	As at March 31, 2019
Loans	Ultimate Holding company	Energy Development Company Limited	27.06	27.06
Loans	Intermediary Holding Company	Smart Hydel Power Limited	1.75	1.13
Loans	Other Related Party	Essel Infracorps Limited	0.21	0.21

No amounts in respect of the related parties have been written off/back or provided for during the year.

Related party relationship have been identified by the management and relied upon by the auditors.

Related party transaction have been disclosed on the basis of value of transactions in terms of respective contracts

Terms and conditions of Related party transactions : are in the ordinary course of business based on arms length basis, normal commercial terms, conditions, market rate and memorandum of understating sign with the related party.





**SARJU VALLEY HYDEL PROJECTS COMPANY PRIVATE LIMITED**  
**Ind AS notes to financial statement**

**NOTE 21**

**Financial instruments**

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The following methods and assumptions were used to estimate the fair values:

1. Fair value of cash, trade payables and other current liabilities approximate their carrying amounts largely due to short term maturities of these instruments.

2. Financial instruments with fixed and variable interest rates are evaluated by the Company based on parameters such as interest rates and individual credit worthiness of the counterparty. Based on this evaluation, allowances are taken to account for expected losses of these receivables. Accordingly, fair value of such instruments is not materially different from their carrying amounts..

**The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:**

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities.

Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.

Level 3: techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

**The carrying amounts and fair values of financial instruments by category are as follows:**

Rs in Lakhs

	FVOCI	FVTPL	Amortised cost	Total fair value	Carrying amount
<b>March 31, 2020</b>					
<b>Financial assets</b>					
Cash and cash equivalents	-	-	0.23	0.23	0.23
<b>Total</b>	-	-	<b>0.23</b>	<b>0.23</b>	<b>0.23</b>
<b>Financial liabilities</b>					
Borrowings	-	-	1,101.96	1,101.96	1,101.96
Trade payables	-	-	3.79	3.79	3.79
Others financial liabilities	-	-	577.06	577.06	577.06
<b>Total</b>	-	-	<b>1,682.81</b>	<b>1,682.81</b>	<b>1,682.81</b>
<b>March 31, 2019</b>					
<b>Financial assets</b>					
Cash and cash equivalents	-	-	0.23	0.23	0.23
<b>Total</b>	-	-	<b>0.23</b>	<b>0.23</b>	<b>0.23</b>
<b>Financial liabilities</b>					
Borrowings	-	-	1,101.34	1,101.34	1,101.34
Trade payables	-	-	4.03	4.03	4.03
Others financial liabilities	-	-	467.06	467.06	467.06
<b>Total</b>	-	-	<b>1,572.43</b>	<b>1,572.43</b>	<b>1,572.43</b>



**NOTE 22**

**Capital risk management**

The Company's objectives when managing capital are to :

- ◆ safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and
- ◆ maintain an optimal capital structure to reduce the cost of capital

In order to achieve this 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. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current period.

The Company monitors capital using a gearing ratio being a ratio of net debt as a percentage of total capital.

	Rs in Lakhs	
	As at	As at
	March 31, 2020	March 31, 2019
Total equity attributable to equity shareholders of the Company (Rs in Lakhs)	(571.32)	(460.93)
Net debt (Total borrowings) (Rs in Lakhs)	1,679.02	1,568.40
Total capital (Borrowings and Equity) (Rs in Lakhs)	1,107.70	1,107.47
Gearing ratio	1.52	1.42

**Net debt reconciliation**

	Rs in Lakhs	
	As at	As at
	March 31, 2020	March 31, 2019
Non-current borrowings	1,127.06	1,127.06
Current borrowings	1.96	1.34
Interest payable	550.00	440.00
Net Debt	1,679.02	1,568.40

	Rs in Lakhs		
	Non-current borrowings	Current borrowings	Interest payable
	Total		
Net debt as at April 1, 2019	1,127.06	1.34	440.00
Cash flows	0.00	0.62	110.00
Net debt as at March 31, 2020	1,127.06	1.96	550.00
			1,679.02





**SARJU VALLEY HYDEL PROJECTS COMPANY PRIVATE LIMITED**  
**Ind AS notes to financial statement**

**NOTE 24**

**Financial risk factors**

The Company's principal financial liabilities comprise loans and borrowings, trade and other payables. The purpose of these financial liabilities is to finance the Company's operations and to provide to support its operations. The Company's principal financial assets is cash and cash equivalents that derive directly from its operations.

The Company's activities exposes it to Liquidity Risk, Market Risk and Credit risk. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised as below

**(a) Liquidity risk**

The risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. Liquidity risk management implies maintenance sufficient cash including availability of funding through an adequate amount of committed credit facilities to meet the obligations as and when due.

The Company manages its liquidity risk by ensuring as far as possible that it will have sufficient liquidity to meet its short term and long term liabilities as and when due. Anticipated future cash flows is expected to be sufficient to meet the liquidity requirements of the Company.

The following is the contractual maturities of the financial liabilities:

	Rs in Lakhs		
	Carrying amount	1-12 months	more than 12 months
<b>As at March 31, 2020</b>			
<b>Non-derivative liabilities</b>			
Borrowings	1,129.02	29.02	1,100.00
Trade payables	3.79	3.79	-
Other financial liabilities	550.00	550.00	-
<b>As at March 31, 2019</b>			
<b>Non-derivative liabilities</b>			
Borrowings	1,128.40	28.40	1,100.00
Trade payables	4.03	4.03	-
Other financial liabilities	440.00	440.00	-

**(b) Market Risk**

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk. However, the Company does not have currency and other price risk as at March 31, 2020 and March 31, 2019.

**Interest Risk**

The interest rate risk exposure is mainly from changes in fixed and floating interest rates. The Company's borrowing have fixed rate of interest and are carried at amortised costs. Hence, the Company is not subject to interest rate risk since neither the carrying amount nor the future cash flows will change due to change in market interest rates

**(c) Credit Risk**

Credit risk is the risk of financial loss to the Company if a customer or counter-party fails to meet its contractual obligations. The Company is exposed to credit risks from its operating activities, primarily trade receivables, cash and cash equivalents and other financial instruments. However, the Company does not any trade receivables and hence there is no credit risk as at March 31, 2020 and March 31, 2019.



SARJU VALLEY HYDEL PROJECTS COMPANY PRIVATE LIMITED  
Ind AS notes to financial statement

**NOTE 25**

The Company is yet to receive balance confirmations in respect of certain financial assets and financial liabilities. The Management does not expect any material difference affecting the current year's financial statements due to the same.

**Note 26**

The financial statements were approved for issue by the Board of Directors on 08th December 2020.

Significant accounting policies- see note 2 to 4

The accompanying notes are an integral part of the financial statements

As per our report of even date attached

For S.K. Bajpai & Co.  
Firm Registraton Number - 00433C  
Chartered Accountants

CA Amit Kumar  
Partner  
M. No. 400433



For and on behalf of the Board of Directors

Sarju Valley Hydel Projects Company Private Limited

Vinod Kumar Sharma  
Director  
DIN No. 02879206

Amar Jain  
Director  
DIN No. 08187995

Place: New Dêlhi  
Date: 08th December 2020

Place:  
Date: 08th December 2020

Place:  
Date: 08th December 2020

UDIN: 21400433AAAABB7655