

INDEPENDENT AUDITOR'S REPORT

To the Members of Simbhaoli Power Private Limited

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

We have audited the accompanying Ind AS financial statements of Simbhaoli Power Private Limited ("the Company"), which comprise the Balance sheet as at March 31 2021, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement 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.

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matter described in the 'Basis for Qualified Opinion' section of our report, the aforesaid Ind AS financial statements give the information required by the Companies Act, 2013, as amended ("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 March 31, 2021, its loss including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Qualified Opinion

As explained in Note 52 of the Ind AS financial statement, the Company purchases bagasse (raw material), from a related party as per the terms of Bagasse Supply Agreement ("BSA"), purchase price of which is linked to tariff in Power Purchase Agreements ("PPAs"). Purchases of bagasse for the year ended March 31, 2021 have been recorded at prices determined basis revised tariff in respective PPAs, which have been disputed by the related party. Management's computation, which we have reviewed, indicates that had the Company recorded the purchase price of bagasse at prices sought by related party, loss after tax for the year ended would have been higher by INR 26.57 million (INR 17.35 million for the year ended March 31, 2020) and inventories as at March 31, 2021 would have been higher by INR 0.15 million (INR 0.20 million for the year ended March 31, 2020). Further, the related party disputed the quantity of bagasse purchased and has confirmed an additional variance of INR 64.07 million (INR 7.97 million for the year ended March 31, 2020) in the confirmation balance as at March 31, 2021. Additionally, in the current year, a further dispute has arisen with the related party with respect to certain debit notes raised by the Company towards consumables, disputed amount towards this is INR 6.36 million (INR NIL for the year ended March 31, 2020). Pending settlement of dispute, reconciliation of accounts and appropriate evidences not made available to us for purchases price of bagasse recorded in books of accounts, we are unable to comment on the arm's length appropriateness or otherwise of its financial impact on the Ind AS financial statement for the year ended March 31, 2021. Our opinion on this matter was also qualified for the year ended March 31, 2020.

We conducted our audit of the Ind AS financial statements in accordance with the Standards on Auditing (SAs), as 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 financial statements under the provisions 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 our audit opinion on the Ind AS financial statements.



Material Uncertainty Related to Going Concern

The Company has incurred a net loss of INR 118.29 million during the year ended March 31, 2021 (INR 43.08 million during the year ended March 31, 2020) due to conditions as explained in Note 47 to the financial statements. These conditions, along with matters stated in Basis for Qualified Opinion and Emphasis of Matter paragraph, indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern.

Our opinion is not qualified in respect of this matter.

Emphasis of Matter

We draw attention to Note 51 of the Ind AS financial statement which states that during an earlier financial year, Uttar Pradesh Electricity Regulatory Commission ('UPERC') has notified UPERC (Captive and Renewable Energy Generating Plants) Regulations, 2019 ('CRE Regulations 2019') which, inter alia, reduced the tariff applicable to bagasse-based generation plants in the state of Uttar Pradesh w.e.f. April 1, 2019. The Company, along with bagasse-based co-generators operating in the State, have filed a writ petition with Hon'ble High Court of Allahabad, Lucknow Bench, challenging CRE Regulations 2019 which have been accepted by the court. The conditions as discussed in detail in Note 51 indicate the existence of a material uncertainty in relation to tariff under CRE Regulations 2019 and its consequential impact on the Ind AS financial statements including impairment of property, plant and equipment, if any.

Our opinion is not qualified in respect of this matter.

Other Information

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Board of Director's report but does not include the Ind AS financial statements and our auditor's report thereon.

Our opinion on the Ind AS 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 Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether such 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.

Responsibility of Management for the Ind AS Financial Statements

The Company's Board of Directors is 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 financial position, 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) specified 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



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safeguarding of 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 the 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 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.

Those Board of Directors are 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 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 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, 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 Act, we are also responsible for expressing our opinion on whether the Company has adequate 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 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 1**" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
 - (a) We have sought and except for the matter described in the Basis for Qualified Opinion paragraph, obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (b) Except for the matter described in the Basis for Qualified Opinion paragraph, 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 the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
 - (d) Except for the effects of the matter described in the Basis for Qualified Opinion paragraph above, in our opinion, the aforesaid Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
 - (e) The going concern matter described in Material Uncertainty Related to Going Concern paragraph above, matter described in Emphasis of Matter paragraph above and the matter described in the Basis for Qualified Opinion paragraph above, in our opinion, may have an adverse effect on the functioning of the Company;
 - (f) On the basis of the written representations received from the directors as on March 31, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164(2) of the Act;
 - (g) The qualification relating to the maintenance of accounts and other matters connected therewith are as stated in the Basis for Qualified Opinion paragraph above;
 - (h) With respect to the adequacy of the internal financial controls over financial reporting of the Company with reference to these Ind AS financial statements and the operating effectiveness of such controls, refer to our separate Report in "**Annexure 2**" to this report;
 - (i) In our opinion, the managerial remuneration for the year ended March 31, 2021 has been paid / provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act;



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- (j) 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 its Ind AS financial statements – Refer Note 32 to the Ind AS financial statements;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For **S.R. Batliboi & Co. LLP**
Chartered Accountants
ICAI Firm Registration Number: 301003E/ E300005

T. Das Mahapatra

per **Tanmoy Das Mahapatra**
Partner
Membership Number: 058259
UDIN: 21058259AAAAEN1898
Place of Signature: Jodhpur
Date: December 28, 2021



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Annexure 1 referred to in paragraph 1 of our report of even date under section 'Report on other legal and regulatory requirements'

Re: Simbhaoli Power Private Limited ("the Company")

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The Company has a regular programme of verifying its fixed assets in a period of three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) According to the information and explanations given by the management, the title deeds of immovable properties included in property, plant and equipment are held in the name of the Company.
- (ii) The management has conducted physical verification of inventory at reasonable intervals during the year and no material discrepancies were noticed on such physical verification.
- (iii) 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. Accordingly, the provisions of clause 3(iii)(a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.
- (iv) In our opinion and according to the information and explanations given to us, there are no loans, investments, guarantees, and securities given in respect of which provisions of Sections 185 and 186 of the Companies Act 2013 are applicable and hence not commented upon.
- (v) 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.
- (vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under Section 148(1) of the Companies Act, 2013, related to the manufacture of Power, and are of the opinion that prima facie, the specified accounts and records have been made and maintained. We have not, however, made a detailed examination of the same.
- (vii) (a) Undisputed statutory dues including provident fund, income-tax, duty of custom, goods and service tax, cess and other statutory dues have generally been regularly deposited with the appropriate authorities though there has been a slight-delays in some cases. The provisions relating to employee's state insurance, sales-tax, service tax, duty of excise and value added tax are not applicable to the company.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income-tax, duty of custom, goods and service 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.



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- (c) According to the information and explanations given to us, there are no dues of income tax, customs duty and cess which have not been deposited on account of any dispute.
- (viii) According to the information and explanations given by the management, the Company has submitted the letter to avail the benefit of moratorium to bank for the amount as tabulated below. We have not been able to sight the approval from the bank.

Particulars	Amount for which moratorium availed during the financial year (INR in million)	Period of default since	Total amount as at the Balance sheet date (INR in million)	
			Principal	Interest
Dues to Bank:	13.38	0-30 days	68.15	NIL
Uttar Pradesh	12.44	31-60 days		
Co-operative	12.02	61-90 days		
Bank Limited	05.40	91-120 days		
	14.38	121-150 days		

The Company does not have any loan or borrowings from any financial institution or government.

- (ix) According to the information and explanations given by the management, the Company has not raised any money way of initial public offer / further public offer / debt instruments and term loans and hence, reporting under clause (ix) is not applicable to the Company and hence not commented upon.
- (x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud by the Company or no fraud on the Company by the officers and employees of the Company has been noticed or reported during the year.
- (xi) According to the information and explanations given by the management, the managerial remuneration has been paid/ provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.
- (xii) 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.
- (xiii) According to the information and explanations given by the management, transactions with the related parties are in compliance with Section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the Ind AS financial statements, as required by the applicable accounting standards except for the matter described in the Basis for Qualified Opinion paragraph.
- (xiv) According to the information and explanations given 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) are not applicable to the Company and, not commented upon.
- (xv) According to the information and explanations given 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 Companies Act, 2013.



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

For **S.R. Batliboi & Co. LLP**

Chartered Accountants

ICAI Firm Registration Number: 301003E/ E300005

T. Das Mahapatra

per **Tanmoy Das Mahapatra**

Partner

Membership Number: 058259

UDIN: 21058259AAAAEN1898

Place of Signature: Jodhpur

Date: December 28, 2021



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Annexure-2 To the Independent Auditor's Report of even date on the Ind AS Financial Statements of Simbhaoli Power Private Limited

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We were engaged to audit the internal financial controls over financial reporting of Simbhaoli Power Private Limited ("the Company") as of March 31, 2021, in conjunction with our audit of the Ind AS 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 (ICAI). 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 the 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.

Auditor's 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 as specified under section 143(10) of the Companies Act, 2013, to the extent 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 with reference to these financial statements was established and maintained and if such controls operated effectively in all material respects.

An audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls over financial reporting with reference to these financial statements and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting with reference to these financial statements, 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 judgement, 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 internal financial controls over financial reporting with reference to these financial statements.



Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting with reference to these Ind AS financial statements 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 with reference to these Ind AS financial statements 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.

Qualified Opinion

According to the information and explanations given to us and based on our audit, the following material weaknesses have been identified as at March 31, 2021, which has resulted in the material misstatements in the Company's financial balances, presentation and disclosures of Ind AS financial statements:

- (a) The Company's internal control system with respect to monitoring of the arm's length price of transactions and preparation and maintenance of balance confirmation with related parties are not operating effectively which could potentially result in recording of lower cost of raw material consumed in financial statement.

Our opinion on this matter was also qualified for the year ended March 31, 2020.

A 'material weakness' is a deficiency, or a combination of deficiencies, in internal financial control over financial reporting, such that there is a reasonable possibility that a material misstatement of the company's annual or interim financial statements will not be prevented or detected on a timely basis.

In our opinion, except for the possible effects of the material weaknesses described above on the achievement of the objectives of the control criteria, the Company has maintained, in all material respects, adequate internal financial controls over financial reporting and such internal financial controls over financial reporting were operating effectively as of March 31, 2021, 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.



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Explanatory paragraph

We also have audited, in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India, as specified under Section 143(10) of the Act, the Ind AS financial statements of Simbhaoli Power Private Limited, which comprise the Balance Sheet as at March 31, 2021, and the related Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information. These material weaknesses were considered in determining the nature, timing, and extent of audit tests applied in our audit of the March 31, 2021 Ind AS financial statements of Simbhaoli Power Private Limited and this report has affected our report dated December 28, 2021, which expressed a qualified opinion on those Ind AS financial statements.

For **S.R. Batliboi & Co. LLP**

Chartered Accountants

ICAI Firm Registration Number: 301003E/ E300005

T. Das Mahapatra

per **Tanmoy Das Mahapatra**

Partner

Membership Number: 058259

UDIN: 21058259AAAAEN1898

Place of Signature: Jodhpur

Date: December 28, 2021



Simbhaoli Power Private Limited
 Balance Sheet as at March 31, 2021
 (Amount in INR million, unless otherwise stated)
 CIN No. : U40300UP2011PTC045360

	Notes	As at March 31, 2021	As at March 31, 2020
Assets			
Non-current assets			
Property, plant and equipment	4	2,663.92	2,766.54
Intangible assets	4	0.86	1.08
Right of use assets	4A	31.88	34.59
Financial asset			
Other bank balances	13	3.26	3.22
Trade receivables	11	68.30	68.30
Other non-current assets	8	19.63	20.04
Current assets			
Inventories	10	13.49	10.53
Financial assets			
Investments	5	1.46	59.77
Trade receivables	11	315.70	505.57
Cash and cash equivalents	12	185.80	12.42
Loans	6	0.75	1.06
Others financial assets	7	0.41	13.44
Other current assets	8	2.03	7.25
Assets classified as held for sale	50	3.37	3.37
Total assets		3,310.86	3,507.18
Equity and liabilities			
Equity			
Equity share capital	14	108.60	108.60
Other equity	15	1,381.12	1,473.50
Non-current liabilities			
Financial liabilities			
Borrowings	16	221.63	684.29
Lease liabilities	4A	33.39	34.85
Other financial liabilities	17	906.96	706.58
Current liabilities			
Financial liabilities			
Lease liabilities	4A	1.46	1.30
Trade payables	19		
- Total outstanding dues of micro enterprises and small enterprises		0.31	0.23
- Total outstanding dues of creditors other than micro enterprises and small enterprises.		139.14	118.09
Other financial liabilities	17	419.95	281.95
Other current liabilities	20	31.97	34.12
Provisions	18	66.33	63.67
Total equity and liabilities		3,310.86	3,507.18
Summary of significant accounting policies	2		

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

As per our report of even date

For S.R. Batliboi & Co. LLP
 Chartered Accountants
 ICAI Firm Registration No: 301003E/ E300005

T. Das Mahapatra

per Tanmoy Das Mahapatra
 Partner
 Membership Number: 058259

Place: Jodhpur

Date: 28/12/2021



For and on behalf of the Board of Directors of
 Simbhaoli Power Private Limited

Sanjay Tripathi
 Managing Director
 DIN: 07740175

Surabhi Singh
 Company Secretary
 M. No.: A39202

Place: New Delhi
 Date: 28/12/2021

Devinder Raj Narayn
 Director
 DIN - 00870801
 Place - Kolkata

Pitambar Kumar
 Chief Financial Officer
 M. No.: 505564

Gurmit Singh Mann
 Director
 Dharamsala
 DIN - 00066653
 Place - Dharamsala



Simbhaoli Power Private Limited
Statement of Profit and Loss for the year ended March 31, 2021
(Amount in INR million, unless otherwise stated)
CIN No. : U40300UP2011PTC045360

	Notes	For the year ended March 31, 2021	For the year ended March 31, 2020
Revenue			
Revenue from operations	21	469.08	644.06
Other income	22	3.77	12.47
Total income		472.85	656.53
Expenses			
Cost of raw material and component consumed	23	74.42	173.16
(Increase)/ decrease in inventories of finished goods and work-in-progress	24	(5.55)	0.80
Employee benefits expense	25	71.14	73.02
Finance costs	26	218.34	230.40
Depreciation and amortization expense	27	106.09	108.20
Other expenses	28	126.70	114.03
Total expenses		591.14	699.61
Loss before exceptional and extraordinary items and tax		(118.29)	(43.08)
Exceptional items		-	-
Loss before tax		(118.29)	(43.08)
Current tax	9	-	-
Deferred tax	9	-	-
Income tax expense		-	-
Loss for the year		(118.29)	(43.08)
Other comprehensive income			
A. Items that will not be reclassified to profit or loss	29		
Re-measurement (losses)/ gains on defined benefit plans		0.20	(1.12)
Income tax effect		-	-
Total comprehensive income for the year		(118.09)	(44.20)
Profit for the year attributable to:			
Equity holders		(118.29)	(43.08)
Total comprehensive income for the year, net of tax attributable to:			
Equity holders		(118.09)	(44.20)
Earnings per equity share:			
Basic	30	(0.59)	2.91
Diluted	30	-0.59	2.91
Summary of significant accounting policies	2		

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

As per our report of even date

For S.R. Batliboi & Co. LLP
Chartered Accountants
ICAI Firm Registration No: 301003E/ E300005

T. Das Mahapatra
per Tanmoy Das Mahapatra
Partner
Membership Number: 058259



Place: Jodhpur
Date: 28/12/2021

For and on behalf of the Board of Directors of
Simbhaoli Power Private Limited

Sanjay Tripathi
Managing Director
DIN 07740375
Director

Devinder Raj Naray Gurmit Singh Mann
DIN-00870801
Place - Kolkata
Director

Pitambar Kumar
Chief Financial Officer
M. No.: 505564
Director

Place : New Delhi
Date : 28/12/2021



Simbhaoli Power Private Limited
 Cash Flow Statement for the year ended March 31, 2021
 (Amount in INR million, unless otherwise stated)
 CIN No. : U40300UP2011PTC045360

	For the year ended March 31, 2021	For the year ended March 31, 2020				
A. Cash flow from operating activities						
Loss before tax	(118.29)	(43.08)				
Adjustment to reconcile profit before tax to net cash flows						
Depreciation / amortisation	106.09	108.20				
Interest expense	218.34	230.40				
Interest income	(0.39)	(0.34)				
Waiver of Facility charges from Holding Company	25.71	6.43				
Fair value loss on current investment	0.71	0.12				
Gain on sale of current investment	(1.75)	(4.56)				
Operating profit before working capital changes	230.42	297.17				
Movements in working capital:						
(Decrease)/ Increase in trade payables	21.13	(110.32)				
(Decrease)/ Increase in Other financial and financial liabilities	(2.08)	4.54				
Increase in provisions	1.96	2.78				
Decrease in trade receivables	203.06	454.16				
(Increase) in inventories	(2.95)	(2.08)				
(Increase) in other bank balance	(0.04)	-				
Decrease in other assets	5.71	2.88				
Cash generated from operations	457.21	649.13				
Direct taxes paid (net of refunds)	1.13	(33.14)				
Net cash flow from operating activities	458.34	615.99				
B. Cash flows from investing activities						
Purchase of fixed assets	(0.54)	(2.14)				
Proceeds from sale of fixed assets	0.00	1.20				
Interest received	0.24	0.14				
Sale of/(Investment) in mutual funds	59.34	(24.00)				
Net cash flow used in investing activities	59.04	(24.80)				
C. Cash flows from financing activities						
Repayment of borrowings	(214.35)	(233.92)				
Interest paid	(128.35)	(339.66)				
Payment of principal portion of lease liabilities	(1.30)	(1.15)				
Payments towards finance lease obligation	-	(9.42)				
Net cash flow used in financing activities	(344.00)	(584.15)				
(This space has been intentionally left blank)						
Net (decrease)/increase in cash and cash equivalents (A+B+C)	173.38	7.04				
Cash and cash equivalents at the beginning of the year	12.42	5.38				
Cash and cash equivalents at the end of the year	185.80	12.42				
Components of cash and cash equivalents						
Cash on hand	0.15	0.45				
Balance with banks - on current account	185.65	11.97				
Total cash and cash equivalents (note 12)	185.80	12.42				
Non-Cash investing and financing transaction						
Acquisition of property, plant and equipment by means of a finance lease	-	-				
Reconciliation of liabilities arising from financing activities						
Particulars	As at April 1, 2020	Cash flows	New leases	Accretion of interest	Foreign exchange movement/ Others	As at March 31, 2021
Lease liabilities (including current portion)	36.15	(5.40)	-	4.10	-	34.85
Non current borrowings (including current portion)	949.75	(214.35)	-	(105.92)	2.03	631.52
Particulars	As at April 1, 2019	Cash flows	New leases	Accretion of interest	Foreign exchange movement/ Others	As at March 31, 2020
Lease liabilities (including current portion)	37.30	(5.40)	-	4.25	-	36.15
Non current borrowings (including current maturities)	1,282.88	(243.34)	-	(92.81)	3.02	949.75

Summary of significant accounting policies

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

As per our report of even date

For S.R. Batliboi & Co. LLP

Chartered Accountants

ICAI Firm Registration No: 301003E/ E300005

For and on behalf of the Board of Directors of
 Simbhaoli Power Private Limited

T. Das Mahapatra

per Tanmoy Das Mahapatra
 Partner
 Membership Number: 058259



Sanjay Tripathi
 Managing Director
 DIN: 07740375

Devinder Raj Narang
 DIN-00870801
 Plg & Kollkata

Gurmit Singh Mann
 DIN-00066853
 Place- Dharamsala

Surabhi Singh
 Company Secretary
 M. No.: A39202

Pitambar Kumar
 Chief Financial Officer
 M. No.: 505564

Place: Jodhpur
 Date: 28/12/2021

Place: New Delhi
 Date: 28/12/2021



(a) Equity Share Capital

Equity shares of INR 10 each issued, subscribed and fully paid	No of shares	Amount
At March 31, 2019	10.86	108.60
Issue of share capital	-	-
At March 31, 2020	10.86	108.60
Issue of share capital	-	-
At March 31, 2021	10.86	108.60

(b) Other equity

For the year ended March 31, 2021 & March 31, 2020:

	Attributable to the equity holders				Total
	Equity component of Compulsory Convertible Debentures	Waiver of Facility charges	Reserves and surplus		
			Security premium	Retained earnings	
(Note 15)	(Note 15)	(Note 15)	(Note 15)		
As at March 31, 2019	303.28	-	955.07	252.92	1,511.27
Profit/(Loss) for the year	-	-	-	(43.08)	(43.08)
Remeasurement of the net defined benefit liability / asset, net of tax	-	-	-	(1.12)	(1.12)
Waiver of facility charges from Holding Company (Refer note 53)	-	6.43	-	-	6.43
As at March 31, 2020	303.28	6.43	955.07	208.72	1,473.50
Profit/(Loss) for the year	-	-	-	(118.29)	(118.29)
Remeasurement of the net defined benefit liability / asset, net of tax	-	-	-	0.20	0.20
Waiver of facility charges from Holding Company (Refer note 53)	-	25.71	-	-	25.71
As at March 31, 2021	303.28	32.14	955.07	90.63	1,381.12

Summary of significant accounting policies

2

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

As per our report of even date

For S.R. Batliboi & Co. LLP
 Chartered Accountants
 ICAI Firm Registration No: 301003E/ E300005

For and on behalf of the Board of Directors of
 Simbhaoli Power Private Limited

per Tanmoy Das Mahapatra
 Partner
 Membership Number: 058259



Sanjay Tripathi
 Managing Director
 DIN: 07740875

Director

Devinder Raj Narayn
 DIN- 00870801
 Place - Kolkata

Gurmit Singh Mann
 DIN- 0066653
 Place - Dhasansala

Place: Jodhpur
 Date: 28/12/2021

Surabhi Singh
 Company Secretary
 M. No.: A39202

Pitambar Kumar
 Chief Financial Officer
 M. No.: 505564

Place: New Delhi
 Date: 28/12/2021



1 Corporate information

Simbhaoli Power Private Limited ("the Company") was incorporated on 21st June, 2011. The Company was promoted by Simbhaoli Sugars Limited ("SSL"), which is engaged in the production of sugar, alcohol and biomass based power. SSL entered into a joint venture agreement (JVA) with Sindicatum Bagasse India Pte Limited ("SBIPL"), a dedicated private equity fund set up to finance the development of non-conventional energy projects in South East Asia. As per the JVA, SSL transferred all the assets related to power generation into the Company under Business Transfer Agreements on 25th January, 2013 (effective date) and SBIPL has subscribed to 49% of the stake in the Company.

The Company is engaged in the business of generating power and selling to utility companies. The Company had acquired 52 MW Bagasse based Cogeneration Power Project adjacent to the Sugar Factories of SSL in Simbhaoli and Chilwaria, in the state of Uttar Pradesh. However the company has dismantled 12 MW capacity turbine the year of 2018-19 and same is lying under held for sale.

The Company had entered into various Commercial Agreements in terms of JVA with SSL and SCES (its Joint Venturers), for the Bagasse Based Cogeneration Power Business. The main terms of such agreements are as under:

- a) SSL will provide sufficient bagasse generated to the Company and the Company will convert the same into power and steam to supply to sugar plants after such conversion. SSL shall meet the cost of conversion.
- b) SSL is obligated to give all the bagasse additionally produced by it, after the supply of bagasse for conversion, under the long term Bagasse Supply Agreement to the Company. The Company will pay price for this purchased bagasse as agreed between the two parties.
- c) The Company will sell surplus power to utility companies from the effective date.

2 Summary of significant accounting policies

2.1 Basis of preparation of financial statements

a) Statement of compliance

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015, as amended time to time and presentation requirements of Division II of Schedule III to the Companies Act, 2013, (Ind AS compliant Schedule III), as applicable to the Company. In accordance with the notification issued by Ministry of Corporate Affairs, the Company has adopted the Indian Accounting standard (referred to as Ind AS) notified under the Companies (Indian Accounting Standards) Rules 2015.

b) Basis of preparation

The Balance Sheet corresponds to the classification provisions contained in Ind AS 1 Presentation of Financial Statements. For clarity, various items are aggregated in the Statement of Profit and Loss and Balance Sheet. These items are disaggregated separately in the Notes, where applicable.

The financial statements are presented in Indian Rupees (INR) and all values are rounded to the nearest million, except otherwise stated.



c) Basis of measurement

The financial statements have been prepared on an accrual basis as a going concern and under the historical cost convention, except for certain financial assets and financial liabilities that are measured at fair value as required under relevant Ind AS.

2.2 Use of estimates

The preparation of the financial statements requires the management of the Company to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures relating to the contingent liabilities as at the date of financial statements and reported amounts of income and expenses during the year. Examples of such estimates include provisions for doubtful trade receivables and advances, employee benefits, provision for income taxes, impairment of assets and useful lives of fixed assets. The management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to changes in these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known/materialise.

2.3 Current versus non-current classification

The Company presents assets and liabilities in the Balance Sheet based on current/ non-current classification.

An asset is classified as current when it satisfies any of the following criteria:

- a) It is expected to be realised or intended to sold or consumed in normal operating cycle
- b) It is held primarily for the purpose of trading
- c) It is expected to be realised within twelve months after the reporting period, or
- d) Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

Current assets include the current portion of non-current financial assets.

All other assets are classified as non-current.

A liability is current when it satisfies any of the following criteria:

- a) It is expected to be settled in normal operating cycle
- b) It is held primarily for the purpose of trading
- c) It is due to be settled within twelve months after the reporting period, or
- d) There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

Current liabilities include the non-current portion of long term financial liabilities.

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

2.4 Foreign currency

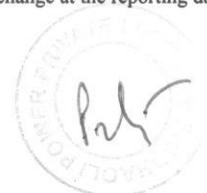
Functional and presentational currency

The Company's financial statements are presented in Indian Rupees (INR) which is also the Company's functional currency. Functional currency is the currency of the primary economic environment in which an entity operates and is normally the currency in which the entity primarily generates and expends cash. All the financial information presented in INR has been rounded to the nearest of million rupees, except where otherwise stated.

Transactions and Balances

Transactions in foreign currencies are initially recorded at their respective functional currency spot rates at the date the transaction first qualifies for recognition. However, for practical reasons, the Company uses an average rate if the average approximates the actual rate at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.



Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

2.5 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, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

2.6 Cash flow statement

Cash flows are reported using the indirect method, whereby profit/(loss) before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

The Company requires to provide disclosure of changes in their liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes (such as foreign exchange gains or losses). The Company has provided the information for both the current and the comparative period in Cash Flow Statement.

2.7 Revenue recognition

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. The Company has generally concluded that it is the principal in its revenue arrangements, because it typically controls the goods or services before transferring them to the customer.

Revenue from power generation is recognised on accrual basis as per terms of Power Purchase Agreement with Uttar Pradesh Power Corporation Limited. The normal credit term is 30 upon delivery.

Bagasse conversion income is recognized when services are rendered as per contracted terms with the customers.

Income from REC is recognized to the extent approved and credited in company's favour by concerned authority in the account maintained with Renewable Energy Certificate Registry of India at the minimum expected realizable value, determined based on the rates specified under the relevant regulations, since there is no uncertainty in realizing the same. The difference between the amount recognized initially and the amount realized on sale of such RECs at the Power Exchange are accounted for as and when such sale take place.

The Company considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated. In determining the transaction price, the Company considers the effects of variable consideration, the existence of significant financing components, non-cash consideration, and consideration payable to the customer (if any).

Variable consideration

If the consideration in a contract includes a variable amount, the Company estimates the amount of consideration to which it will be entitled in exchange for transferring the goods to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved. The terms of power efficiency adjustment on sale of power in contracts with customer give rise to variable consideration.

Company's contract with customers does not contain any significant financing component or non-cash consideration or right to return with customers.



Contract balances

Contract assets

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Company performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

Trade receivables

A receivable represents the Company's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Refer to accounting policies of financial assets in 2.12 Financial instruments – initial recognition and subsequent measurement.

Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Company performs under the contract.

2.8 Property, plant and equipment

Recognition and measurement

Items of property, plant and equipment are measured at cost of acquisition less accumulated depreciation and/or accumulated impairment loss, if any. Cost comprises its purchase price, and non-refundable taxes, duties or levies, any other directly attributable cost of bringing the asset to its working condition for its intended use and the estimated costs of dismantling and removing the items and restoring the site on which they are located; any trade discounts and rebates are deducted in arriving at the purchase price.

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. 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 Statement of Profit and Loss within other income.

The Company capitalises the cost of equipment purchased for specific clients, which is reimbursed by clients over the period of a project and does not capitalise equipment for which the client has borne the cost.

Leases under which the Company assumes substantially all the risks and rewards of ownership are classified as finance leases. Assets taken on finance lease are initially capitalised at fair value of the asset or present value of the minimum lease payments at the inception of the lease, whichever is lower. Lease payments are apportioned between the finance charge and the reduction of the outstanding liability. The finance charge is allocated to periods during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

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.

The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met. Refer note 3 regarding significant accounting judgements, estimates and assumptions relating to provision for decommissioning.



Subsequent costs

The cost of replacing a part of an item of property, plant and equipment is recognised in the carrying amount of the item of property, plant and equipment, 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 with the carrying amount of the replaced part getting derecognised. The cost for day-to-day servicing of property, plant and equipment are recognised in Statement of Profit and Loss as and when incurred.

Depreciation

Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value. Depreciation on property, plant and equipment has been provided as per the useful life prescribed in Schedule II to the Companies Act, 2013 except in respect of the plant and machinery acquired under Business Transfer Agreement. In this case, the life of the assets has been assessed based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset etc. The method of depreciation and estimated useful life of property, plant and equipment is as under:

Category of fixed assets	Depreciation Method	Useful life
Buildings	Written down value	29 to 60 years
Plant and Machinery used in generation of power	Straight line method	29 to 40 years
Plant and Machinery (Other than used)	Straight line method	10 to 35 years
Computer Equipment	Straight line method	3 years
Furniture and fixtures	Straight line method	10 years
Motor vehicles	Written down value	8 years
Office equipment	Straight line method	8 to 10 years

2.9 Inventories

Inventories are valued at the lower of cost and net realizable value. The basis of determining cost for different categories of inventory is as follows:

Stores and spare parts	:	Monthly weighted average
Raw materials / Fuel	:	First in first out
Finished goods	:	FIFO- material cost plus appropriate share of labour and manufacturing overheads

2.10 Intangible assets

Recognition and measurement

Intangible assets with finite useful lives are measured at cost less accumulated amortisation and accumulated impairment losses, if any.

Amortisation and useful lives

Intangible assets with finite lives are amortised over the useful life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the Statement of Profit and Loss unless such expenditure forms part of carrying value of another asset. Amortisation is calculated over the cost of the asset, or other amount substituted for cost, less its residual value.

Software is amortised over an estimated useful life of 3-5 years.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit and Loss within other income when the asset is derecognised.



2.11 Leases

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Company as a lessee

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

i) Right-of-use assets

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any re-measurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis from the commencement date over the shorter of the lease term and the estimated useful lives of the assets.

If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment.

ii) Lease liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is re-measured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

Lease liabilities and Right-of-use assets have been presented as a separate line in the balance sheet. Lease payments have been classified as cash used in financing activities.

iii) Short-term leases and leases of low-value assets

The Company has elected not to recognise right-of-use assets and lease liabilities for short term leases of all assets that have a lease term of 12 months or less and leases of low-value assets except for short term leases with related parties. The Company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease.

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.



2.12 Financial instruments

Initial recognition

The Company recognizes financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are recognised at fair value on initial recognition, except for trade receivables which are initially measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities, that are not at fair value through profit or loss, are added to the fair value on initial recognition. Regular way purchase and sale of financial assets are accounted for a trade date.

Subsequent measurement

a) Non-derivative financial instruments

(i) Financial assets carried at amortised cost

A financial asset is subsequently measured at amortised cost if it is held within a business model whose objective is to hold the asset 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.

(ii) Financial assets at fair value through other comprehensive income

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling 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. Further, in cases where the Company has made an irrevocable election based on its business model, for its investments which are classified as equity instruments, the subsequent changes in fair value are recognized in other comprehensive income.

(iii) Financial assets at fair value through profit or loss

A financial asset which is not classified in any of the above categories are subsequently fair valued through profit or loss.

(iv) Financial liabilities

Financial liabilities are subsequently carried at amortised cost using the effective interest method, except for financial guarantee, which is subsequently measured at fair value through profit and loss. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate the fair value due to the short maturity of these instruments.



(b) Share capital

Ordinary shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of new ordinary shares and share options are recognized as a deduction from equity, net of any tax effects.

Derecognition of financial instruments

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and transfer qualifies for derecognition under Ind AS 109. A financial liability (or a part of a financial liability) is derecognised from the Company's balance sheet when the obligation specified in the contract is discharged or cancelled or expires.

2.13 Fair value measurement

In determining the fair value of its financial instruments, the Company uses a variety of methods and assumptions that are based on market conditions and risks existing at each reporting date. The methods used to determine fair value include discounted cash flow analysis and available quoted prices. All methods of assessing fair value result in general approximation of value, and such value may never actually be realized.

For all other financial instruments, the carrying amounts approximate fair value due to the short maturity of those instruments.

2.14 Impairment

a) Financial assets

The Company recognises loss allowances using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit or loss. Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime ECL. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized is recognized as an impairment gain or loss in the Consolidate Statement of Profit and Loss.

b) Non-financial assets

(ii) Intangible assets and property, plant and equipment

Intangible assets and property, plant and equipment are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the 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 CGU to which the asset belongs.

If such assets are considered to be impaired, the impairment to be recognized in the Statement of Profit and Loss is measured by the amount by which the carrying value of the assets exceeds the estimated recoverable amount of the asset. An impairment loss is reversed in the Statement of Profit and Loss if there has been a change in the estimates used to determine the recoverable amount. The carrying amount of the asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortization or depreciation) had no impairment loss been recognised for the asset in prior years.

2.15 Employee benefits

Short term employee benefits

All employee benefits expected to be settled wholly within twelve months of rendering the service are classified as short-term employee benefits. When an employee has rendered service to the Company during an accounting period, the Company recognises the undiscounted amount of short-term employee benefits expected to be paid in exchange for that service as an expense unless another Ind AS requires or permits the inclusion of the benefits in the cost of an asset. Benefits such as salaries, wages and short-term compensated absences and bonus etc. are recognised in Statement of Profit and Loss in the period in which the employee renders the related service.



A liability is recognised for the amount expected to be paid after deducting any amount already paid under short-term cash bonus or profit-sharing plans if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably. If the amount already paid exceeds the undiscounted amount of the benefits, the Company recognises that excess as an asset/prepaid expense to the extent that the prepayment will lead to, for example, a reduction in future payments or a cash refund.

Defined contribution plan

- a) The Company's contribution to provident fund, superannuation fund and employee state insurance scheme are considered as defined contribution plans and are charged as an expense based on the amount of contribution required to be made and when services are rendered by the employees.

Defined benefit plans

The Company has the following defined benefit plans:

b) **Gratuity**

Benefits payable to eligible employees of the Company with respect to gratuity, a defined benefit plan is accounted for on the basis of an actuarial valuation as at the Balance Sheet date. In accordance with the Payment of Gratuity Act, 1972, the plan provides for lump sum payments to vested employees on retirement, death while in service or on termination of employment, of an amount equivalent to 15 days basic salary for each completed year of service. Vesting occurs upon completion of five years of service. The Company contributes all the ascertained liabilities to a fund set up by the Company and administered by a board of trustees. The present value of such obligation and the related current service cost is determined by an actuarial valuation based on the projected unit credit method and adjusted for past service cost and fair value of plan assets as at the balance sheet date. The obligations are measured at the present value of the estimated future cash flows. The discount rate is generally based upon the market yields available on Government bonds at the reporting date with a term that matches that of the liabilities.

Re-measurements comprising of actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through other comprehensive income in the period in which they occur. Re-measurements are not reclassified to profit or loss in subsequent periods.

All other expenses related to defined benefit plans are recognised in Statement of Profit and Loss as employee benefit expenses. Gains or losses on the curtailment or settlement of any defined benefit plan are recognised when the curtailment or settlement occurs. Curtailment gains and losses are accounted for as past service costs.

c) **Compensated absences**

Long-term compensated absences are recognised as a liability based on an actuarial valuation carried out at each balance sheet date and short-term compensated absences are recognised as a liability on an undiscounted accrual basis. The Company presents the leave as a current liability in the balance sheet, to the extent it does not have an unconditional right to defer its settlement for 12 months after the reporting date. Where the Company has the unconditional legal and contractual right to defer the settlement for a period beyond 12 months, the same is presented as non-current liability.

2.16 Provisions

General

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. Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources would be required to settle the obligation, the provision is reversed.



2.17 Contingent liabilities

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made.

2.18 Taxes

a) Current tax

Current tax expense is recognised in the Statement of Profit and Loss except to the extent that it relates to items recognized directly in equity, in which case it is recognised in other comprehensive income. Current income tax for current and prior periods is recognised at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date.

b) Deferred tax

Deferred income tax assets and liabilities are recognised for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements except when the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that is no longer probable that the related tax benefit will be realised.

Deferred income tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect of changes in tax rates on deferred income tax assets and liabilities is recognised as income or expense in the period that includes the enactment or the substantive enactment date. A deferred income tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilized. The Company offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognised amounts and where it intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

c) Minimum Alternate Tax (MAT)

MAT payable is recognised as an asset in the year in which credit in respect of MAT paid in earlier years becomes eligible and is set off in the year in which the Company becomes liable to pay income taxes at the enacted tax rates as indicated in the Income Tax Act, 1961. Further, a MAT credit is recognised only if there is a reasonable certainty that these assets will be realised in the future and their carrying values are reviewed for appropriateness at each balance sheet date. During the current year, the Company has opted to pay tax in accordance with the provisions of Section 115BAA. After adopting this section, MAT is not applicable to the Company from current year onwards.

2.19 Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

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

2.20 Borrowing cost

Borrowing costs include interest, amortisation of ancillary costs incurred and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Costs in connection with the borrowing of funds to the extent not directly related to the acquisition of qualifying assets are charged to the Statement of Profit and Loss over the tenure of the loan. Borrowing costs, allocated to and utilised for qualifying assets, pertaining to the period from commencement of activities relating to construction / development of the qualifying asset upto the date of capitalisation of such asset are added to the cost of the assets. Capitalisation of borrowing costs is suspended and charged to the Statement of Profit and Loss during extended periods when active development activity on the qualifying assets is interrupted.

2.21 Material events

Material adjusting events occurring after the balance sheet date are taken into cognizance.



2.22 Recent accounting pronouncements

Amendment to existing issued IND AS

a) Amendments to Ind AS 116: Covid-19-Related Rent Concessions

The amendments provide relief to lessees from applying Ind AS 116 guidance on lease modification accounting for rent concessions arising as a direct consequence of the Covid-19 pandemic. As a practical expedient, a lessee may elect not to assess whether a Covid-19 related rent concession from a lessor is a lease modification. A lessee that makes this election accounts for any change in lease payments resulting from the Covid-19 related rent concession the same way it would account for the change under Ind AS 116, if the change were not a lease modification.

The amendments are applicable for annual reporting periods beginning on or after the 1 April 2020. During the year ended March 31, 2021, no rent concessions were availed by the Company.

b) Amendments to Ind AS 103 Business Combinations

The amendment to Ind AS 103 Business Combinations clarifies that to be considered a business, an integrated set of activities and assets must include, at a minimum, an input and a substantive process that, together, significantly contribute to the ability to create output. Furthermore, it clarifies that a business can exist without including all of the inputs and processes needed to create outputs.

c) Amendments to Ind AS 1 and Ind AS 8

The amendments provide a new definition of material that states, "information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity." The amendments clarify that materiality will depend on the nature or magnitude of information, either individually or in combination with other information, in the context of the financial statements. A misstatement of information is material if it could reasonably be expected to influence decisions made by the primary users.

d) Amendments to Ind AS 107 and Ind AS 109

Interest Rate Benchmark Reform

i) The amendments to Ind AS 109 Financial Instruments: Recognition and Measurement provide a number of reliefs, which apply to all hedging relationships that are directly affected by interest rate benchmark reform. A hedging relationship is affected if the reform gives rise to uncertainty about the timing and/or amount of benchmark-based cash flows of the hedged item or the hedging instrument.

ii) The amendments to Ind AS 107 prescribe the disclosures which entities are required to make for hedging relationships to which the reliefs as per the amendments in Ind AS 109 are applied. These amendments are applicable for annual periods beginning on or after the 1 April 2020.

The effect on adoption of above-mentioned amendments were insignificant on the financial statements of the Company.



3 Significant accounting judgements, estimates and assumptions

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. 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.

Judgements

In the process of applying the Company's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the financial statements:

a. Determination of functional currency

The determination of functional currency often requires significant judgement where the primary economic environment in which they operate may not be clear. In determining the functional currency, judgement is required to determine the currency that mainly reflects the economic substance of the underlying economic event.

b. Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company has based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

c. Impairment of non-financial assets

The carrying amounts of the Company's non-financial assets, other than deferred tax assets, are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

The recoverable amount of an asset or cash-generating unit ('CGU') is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets ('CGU').

Market related information and estimates are used to determine the recoverable amount. Key assumptions on which management has based its determination of recoverable amount include estimated long term growth rates, weighted average cost of capital and estimated operating margins. Cash flow projections take into account past experience and represent management's best estimate about future developments.



d. Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the discounted cash flow model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk volatility and discount rates. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

e. Income taxes

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the countries where the Company operates and generates taxable income.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

f. Deferred taxes

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- a) When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
- b) In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- a) When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- b) In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.



From the year 2019-20, the Company has opted to pay tax in accordance with the provisions of Section 115BAA. After adopting this section, MAT is not applicable to the Company from current year onwards.

g. Estimation of defined benefits and compensated leave of absence

The present value of the gratuity and leave encashment obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation. The mortality rate is based on publicly available mortality tables for the specific countries. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates.

Further details about gratuity and leave encashment obligations are given in Note 31.



4 Property, plant and equipment and intangible assets

Cost	Building	Leasehold Plant & Machinery*	Plant and equipments	Computer equipments - Owned	Furniture and fixtures	Office equipments	Vehicles	Total	Intangible assets Software
As at March 31, 2019	275.43	177.96	2,735.97	1.01	2.30	0.98	4.88	3,198.53	
Additions	-	-	0.07	0.22	0.02	0.03	-	0.34	
Disposals	-	-	-	-	-	-	-	-	
As at March 31, 2020	275.43	177.96	2,736.04	1.23	2.32	1.01	4.88	3,198.87	
Additions	-	-	-	0.43	0.03	0.08	-	0.54	
Disposals	-	-	-	-	-	-	-	-	
As at March 31, 2021	275.43	177.96	2,736.04	1.66	2.35	1.09	4.88	3,199.41	
		Depreciation -	Depreciation -	Depreciation -	Depreciation -	Depreciation -	Depreciation -	Depreciation -	Depreciation -
		Leasehold Plant & Machinery - Under finance lease	Plant and equipments	Computer equipments - Owned	Furniture and fixtures	Office equipments	Vehicles	Total	Software
Depreciation As at March 31, 2019	71.06	15.81	236.80	0.76	0.69	0.56	1.38	327.06	
Charge for the year	19.41	5.26	79.12	0.13	0.23	0.14	0.98	105.27	
Disposals	-	-	-	-	-	-	-	-	
As at March 31, 2020	90.47	21.07	315.92	0.89	0.92	0.70	2.36	432.33	
Charge for the year	17.55	5.27	79.12	0.17	0.23	0.14	0.68	103.16	
Disposals	-	-	-	-	-	-	-	-	
As at March 31, 2021	108.02	26.34	395.04	1.06	1.15	0.84	3.04	535.49	
Net block									
As at March 31, 2021	167.41	151.62	2,341.00	0.60	1.20	0.25	1.84	2,663.92	
As at March 31, 2020	184.96	156.89	2,420.12	0.34	1.40	0.31	2.52	2,766.54	

* In January 2013, the Company has taken a boiler on finance lease from its holding Company, Simbhaoli Sugar Limited ('SSL'). As per the lease agreement, ownership of the same was to be transferred to the Company at the end of lease period of 5 years i.e. December 2017. However the title could not be transferred to the Company due to administrative reasons and the Company has held back amount of INR the end of financial year 2019-20. In the year 2019-20, SSL has transferred the title of said boiler to the Company and the Company has paid INR 9.42 which was held back earlier.



Simbhaoli Power Private Limited
Notes to Accounts for the year ended March 31, 2021
(Amount in INR million, unless otherwise stated)
CIN No. : U40300UP2011PTC045360

4A Leases

Company as a lessee

The Company has lease contracts for land used in its operations. Leases of land have lease terms of 20 years, Generally, the Company is restricted from assigning and subleasing the leased assets. The Company has elected to apply this Standard using the modified retrospective method with Right-of-Use assets being recognised at an amount equal to lease liability, on the date of initial application.

Set out below are the carrying amounts of right of use assets recognised and the movements during the year:

	Land
Cost	
As at April 01, 2020	37.30
Additions	-
Disposals	-
As at March 31, 2021	37.30
Accumulated amortisation	
As at April 01, 2020	2.71
Charge for the year	2.71
Disposals	-
As at March 31, 2021	5.42
Net block	
As at March 31, 2021	31.88
As at March 31, 2020	34.59

Set out below are the carrying amounts of lease liabilities and the movements during the year:

	Amount
As at April 1, 2020	36.15
Additions	-
Deletions	-
Accretion of interest	4.10
Payments	(5.40)
As at March 31, 2021	34.85
Current	1.46
Non-current	33.39

The maturity analysis of lease liabilities are disclosed in note 38.

The effective interest rate for lease liabilities is 12.5% with maturity between 2021-2033.

Amounts recognised in profit or loss:

Year ended March 31, 2021	Amount
Depreciation expense of right of use assets	2.71
Interest expense on lease liabilities	4.10
Total amount recognised in profit or loss	6.81

The Company had total cash outflows for leases of INR 5.40 in March 31, 2021.



5 Investments

	Non-current		Current	
	Mar 31, 2021	Mar 31, 2020	Mar 31, 2021	Mar 31, 2020
Investments in mutual funds - quoted				
452.12 units (31 March 2020: 19,223.46 units) in SBI premier liquid fund - Regular plan - growth (SBI premier liquid fund - Direct plan - growth)	-	-	1.46	59.77
	-	-	1.46	59.77
Aggregate book value of quoted investments	-	-	1.46	59.77
Aggregate market value of quoted investments	-	-	1.46	59.77

6 Loans

	Non-current		Current	
	Mar 31, 2021	Mar 31, 2020	Mar 31, 2021	Mar 31, 2020
Security deposits				
Unsecured, considered good	-	-	0.33	0.33
Other loans and advances				
Advances to employees, unsecured, considered good	-	-	0.42	0.73
	-	-	0.75	1.06

7 Other financial assets

	Non-current		Current	
	Mar 31, 2021	Mar 31, 2020	Mar 31, 2021	Mar 31, 2020
Contract asset				
Unbilled revenue	-	-	-	13.18
Other				
Interest accrued on bank deposits	-	-	0.41	0.26
	-	-	0.41	13.44

Break up of financial assets carried at fair value

	Non-current		Current	
	Mar 31, 2021	Mar 31, 2020	Mar 31, 2021	Mar 31, 2020
Investments in mutual funds	-	-	1.45	59.77
Total financial assets carried at fair value	-	-	1.45	59.77

Break up of financial assets carried at amortised cost

	Non-current		Current	
	Mar 31, 2021	Mar 31, 2020	Mar 31, 2021	Mar 31, 2020
Loans	-	-	0.75	1.06
Trade receivable	68.30	68.30	315.70	505.57
Cash and cash equivalents	-	-	185.80	12.42
Other bank balances	3.26	3.22	-	-
Other financial assets	-	-	0.41	13.44
Total financial assets carried at amortised cost	71.56	71.52	502.66	532.49



8 Other assets

	Non-current		Current	
	Mar 31, 2021	Mar 31, 2020	Mar 31, 2021	Mar 31, 2020
Unsecured, considered good				
GST refund receivable	0.19	0.38	-	-
Advance to suppliers	-	-	0.50	0.90
Advance tax and tax deducted at source (net of provisions)	1.94	2.16	-	-
Balances with excise authorities (refer note 32)	17.50	17.50	-	-
Prepaid expenses	-	-	1.53	6.35
	<u>19.63</u>	<u>20.04</u>	<u>2.03</u>	<u>7.25</u>

9 Income tax

The major components of income tax expense for the year ended March 31, 2021 are:

	For the period ended Mar 31, 2021	For the period ended Mar 31, 2020
Reconciliation of tax expense and the accounting profit multiplied by tax rate:		
	Mar 31, 2021	Mar 31, 2020
Accounting profit before income tax	(118.29)	(43.08)
Taxable profit	(118.29)	(43.08)
At India's statutory income tax rate of 25.17% (31 March 2020: 25.17%)	-	-
Income tax reported in the statement of profit and loss	<u>-</u>	<u>-</u>

Deferred tax

	Balance sheet		Statement of profit and loss	
	Mar 31, 2021	Mar 31, 2020	Mar 31, 2021	Mar 31, 2020
Deferred tax asset relates to the following:				
Carried forward losses and unabsorbed depreciation	545.54	541.22	4.32	(135.93)
Others	2.61	4.23	(1.62)	4.23
Total deferred tax asset (A)	<u>548.15</u>	<u>545.45</u>	<u>2.70</u>	<u>(131.70)</u>
Deferred tax liability relates to the following:				
Fixed assets: Impact of difference between tax depreciation and depreciation/amortization charged for the financial reporting	548.15	545.45	2.70	(131.70)
Total deferred tax liability (B)	<u>548.15</u>	<u>545.45</u>	<u>2.70</u>	<u>(131.70)</u>
Deferred tax expense	-	-	-	-
Deferred tax asset recognised (net) (C = (A-B))	-	-	-	-

Reflected in the Balance Sheet as follows:

	Mar 31, 2021	Mar 31, 2020
Deferred tax assets	548.15	545.45
Deferred tax liabilities	(548.15)	(545.45)
Deferred tax assets, net	<u>-</u>	<u>-</u>

The Company offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

The Company has tax losses and unabsorbed depreciation of INR 2,224.44 million (March 31, 2020: INR 2,213.77 millions) that are available for offsetting against future taxable profits of the Company.



10 Inventories

	Non-current		Current	
	Mar 31, 2021	Mar 31, 2020	Mar 31, 2021	Mar 31, 2020
Raw materials	-	-	1.62	3.59
Finished goods	-	-	5.81	0.26
Stores and spares	-	-	6.06	6.68
	-	-	13.49	10.53

11 Trade receivables

	Non-current		Current	
	Mar 31, 2021	Mar 31, 2020	Mar 31, 2021	Mar 31, 2020
Considered good - Unsecured				
Contract asset				
Trade receivables	68.30	68.30	315.69	505.47
REC income receivable	-	-	0.01	0.10
Receivables having significant increase in credit Risk	-	-	-	-
Receivable from related parties	-	-	-	-
	68.30	68.30	315.70	505.57

No trade receivables are due from directors or other officers of the Company either severally or jointly with any other person.

12 Cash and cash equivalents*

	Non-current		Current	
	Mar 31, 2021	Mar 31, 2020	Mar 31, 2021	Mar 31, 2020
Balances with banks:				
- On current accounts	-	-	185.65	11.97
Cash on hand	-	-	0.15	0.45
	-	-	185.80	12.42

*This has been considered as 'Cash and cash equivalents' for the purpose of Cash Flow Statement.

13 Other bank balances

	Non-current		Current	
	Mar 31, 2021	Mar 31, 2020	Mar 31, 2021	Mar 31, 2020
Deposits held as security against guarantees*	3.26	3.22	-	-
	3.26	3.22	-	-

*Deposits pledged with UP Pollution Control Board



14 Equity share capital

	Mar 31, 2021	Mar 31, 2020
Authorised		
21,000,000 (31 March 2020 : 21,000,000) equity shares of INR 10 each	210.00	210.00
	210.00	210.00
Issued, subscribed and fully paid-up		
10,860,284 (31 March 2020 : 10,860,284) equity shares of INR 10 each	108.60	108.60

(a) Reconciliation of shares outstanding at the beginning and at the end of the reporting period:

	As at March 31, 2021		As at March 31, 2020	
	Number	INR in million	Number	INR in million
Equity shares				
At the commencement of the year	10.86	108.60	10.86	108.60
Allotted during the year	-	-	-	-
At the end of the year	10.86	108.60	10.86	108.60

(b) Terms / rights attached to equity shares:

In respect of equity shares, voting right shall be in same proportion as the capital paid upon such equity share.

The dividend proposed by the Board of Directors which is subject to the approval of the shareholders in the Annual General Meeting shall be in the same proportion as the capital paid upon such equity share.

In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company in proportion to capital paid upon such equity share.

(c) Shares held by holding / ultimate holding company and / or their subsidiaries / associates:

	As at March 31, 2021		As at March 31, 2020	
	Number	INR in million	Number	INR in million
Equity shares of INR 10 each fully paid up held by:				
(a) Simbhaoli Sugars Limited	55,38,744	55.39	55,38,744	55.39
(b) Sindicatum Bagasse India Pte Limited	53,21,540	53.22	53,21,540	53.22

(d) Particulars of shareholders holding more than 5% shares of a class of shares

	As at March 31, 2021		As at March 31, 2020	
	Number	Holding percentage	Number	Holding percentage
Equity shares of INR 10 each fully paid up held by:				
(a) Simbhaoli Sugars Limited (along with nominee shareholder)	55,38,744	51.00	55,38,744	51.00
(b) Sindicatum Bagasse India Pte Limited	53,21,540	49.00	53,21,540	49.00

Note: Aggregate number of equity shares of INR 10 each to Simbhaoli Sugars Limited allotted as fully paid-up pursuant to Joint Venture Agreement dated December 13, 2012 and Business Transfer Agreements dated January 25, 2013 and subsequent amendments thereto, without payments being received in cash in the last five financial years:

	Aggregate number of shares	
	Mar 31, 2021	Mar 31, 2020
Equity shares with voting rights	3,211,959*	3,211,959*

* Includes 999,183 equity shares of INR 10 each issued at a premium of INR 90 per share.

As per records of the Company, including its register of shareholders / members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.



15 Other equity

	Mar 31, 2021	Mar 31, 2020
Securities premium		
At the commencement of the year	955.07	955.07
Add: Addition during the year	-	-
At the end of the year	<u>955.07</u>	<u>955.07</u>
Retained earnings		
At the commencement of the year	208.72	252.92
Add: Profit for the year	(118.09)	(44.20)
At the end of the year	<u>90.63</u>	<u>208.72</u>
Other reserves		
Equity portion of compulsory convertible debentures (refer note 41(a) and 42)	303.28	303.28
Add: Waiver of Facility charges from Holding Company (Refer note 53)	32.14	6.43
	<u>335.42</u>	<u>309.71</u>
	<u>1,381.12</u>	<u>1,473.50</u>

16 Borrowings

	Non-current		Current	
	Mar 31, 2021	Mar 31, 2020	Mar 31, 2021	Mar 31, 2020
Secured				
Term loan from bank (Refer note (a))	108.32	450.24	289.15	159.55
	<u>108.32</u>	<u>450.24</u>	<u>289.15</u>	<u>159.55</u>
Unsecured				
Liability portion of compound financial instrument				
Compulsory Convertible Debentures (Refer note 41 & 49)				
Simbhaoli Sugar Limited	57.84	119.41	61.57	54.01
Sindicatum Bagasse India Pte Limited (Refer note (b))	55.47	114.64	59.17	51.90
	<u>113.31</u>	<u>234.05</u>	<u>120.74</u>	<u>105.91</u>
Less: Classified under 'Other financial liabilities'	-	-	(409.89)	(265.46)
	<u>221.63</u>	<u>684.29</u>	<u>-</u>	<u>-</u>



Note:

(a) Secured term loan

Term loan of INR 397.47 million (March 31, 2020: INR 609.78 million) from Uttar Pradesh Cooperative Bank is secured by way of:

- (i) First charges on all the present and future Property, Plant & Equipment and current assets of the Company.
- (ii) Assignment of leasehold rights over land, taken on lease by the Company situated at Simbhaoli and Chilwaria, where its power plants are located, in favour of the bank.
- (iii) Pledge of 1,929,655 equity shares held by Simbhaoli Sugars Limited in the Company.
- (iv) An irrevocable and unconditional guarantees from Mr. Gurmeet Singh Mann and Mr. Gurpal Singh, the Directors of the holding company.
- (v) First Charge on receivables from Uttar Pradesh Power Corporation Limited by way of escrow account Mechanism.
- (vi) The loan carries interest @ 12.5% payable monthly. The loan is repayable with quarterly repayments of INR 17 million and INR 39.50 million for Chilwaria and Simbhaoli units respectively.

(b) Compulsory Convertible Debentures

During the Financial year 2019-20, the debenture holder Sindicatum captive energy Singapore Pte Ltd (SCES) had transferred all its CCDs to the another group Company i.e. Sindicatum Bagasse India Pte Ltd (SBIPL) on January 10, 2020. Refer note 49 for detailed understanding.

17 Other financial liabilities

	Non-current		Current	
	Mar 31, 2021	Mar 31, 2020	Mar 31, 2021	Mar 31, 2020
Other financial liabilities at amortised cost				
Current maturities of long term borrowings	-	-	409.89	265.46
Employee related liabilities	-	-	7.61	7.53
Payable for capital goods	-	-	2.45	2.45
Interest accrued but not due on borrowings (refer note 41(b))	792.46	592.08	-	-
Interest accrued and due on borrowings	-	-	-	6.51
Liabilities under business transfer agreement (refer note 45)	4.50	4.50	-	-
Retention money under bagasse supply agreement (refer note 44)	110.00	110.00	-	-
Total other financial liabilities at amortised cost	906.96	706.58	419.95	281.95
Total other financial liabilities	906.96	706.58	419.95	281.95

18 Provisions

	Non-current		Current	
	Mar 31, 2021	Mar 31, 2020	Mar 31, 2021	Mar 31, 2020
Provision for employee benefits				
Gratuity (refer note 31)	-	-	3.82	2.47
Leave encashment	-	-	11.14	10.73
Other provisions				
Provision for tax (net of advance tax and tax deducted at source)	-	-	51.37	50.47
	-	-	51.37	50.47
	-	-	66.33	63.67

19 Trade payables

	Mar 31, 2021	Mar 31, 2020
Due to micro and small enterprises (refer note 46)	0.31	0.23
Due to others	75.94	46.37
Due to related parties (Refer note 33)	63.20	71.72
	139.45	118.32

20 Other liabilities

	Non-current		Current	
	Mar 31, 2021	Mar 31, 2020	Mar 31, 2021	Mar 31, 2020
Statutory liabilities	-	-	31.97	34.12
	-	-	31.97	34.12



21 Revenue from operations

	For the year ended Mar 31, 2021	For the year ended Mar 31, 2020
Revenue from contracts with customers		
- Sale of products	432.73	534.76
- Sale of services	35.01	38.52
- Other operating income	1.34	70.78
	<u>469.08</u>	<u>644.06</u>
Timing of revenue recognition		
Products transferred over time	467.74	573.28
Products transferred at a point in time	1.34	70.78
Total revenue from contracts with customers	<u>469.08</u>	<u>644.06</u>

Note:

The Company operates in only one business segment and have entire sale in India only.

Performance obligation

The Company has following performance obligations:

a) **Supply of Steam and Power** - The performance obligation is satisfied upon supply of steam & transmission of power and payments are due within 30 days from delivery. There is variable consideration of power efficiency adjustment in these contracts.

b) **Supply of power to state electricity board:** The performance obligation is satisfied upon transmission of power to UPPCL and payments are due within 30 days from delivery.

c) **Sale of REC to customers:** The performance obligation is satisfied upon transmission of green power to sugar plant. Income from REC is recognized when such certificates approved and credited in Company's favour by concerned authority in the account maintained with Renewable Energy Certificate Registry of India, subject to no significant uncertainty for ultimate collection.

22 Other income

	For the year ended Mar 31, 2021	For the year ended Mar 31, 2020
Interest income		
- on bank deposits	0.20	0.34
- on income tax refund	0.19	-
Other non-operating income:		
Insurance claim receipts	1.63	7.57
Gain on sale of current investment	1.75	4.56
	<u>3.77</u>	<u>12.47</u>

23 Cost of raw material consumed

	For the year ended Mar 31, 2021	For the year ended Mar 31, 2020
Inventory at the beginning of the year		
Add: Purchases	3.59	1.33
	<u>72.45</u>	<u>175.42</u>
	<u>76.04</u>	<u>176.75</u>
Less: Inventory at the end of the year		
	1.62	3.59
	<u>74.42</u>	<u>173.16</u>

24 (Increase)/ decrease in inventories of finished goods and work-in-progress

	For the year ended Mar 31, 2021	For the year ended Mar 31, 2020
Inventory at the beginning of the year		
Finished goods	0.26	1.06
Less: Inventory at the end of the year		
Finished goods	5.81	0.26
	<u>(5.55)</u>	<u>0.80</u>



Details of Inventories		
	For the year ended Mar 31, 2021	For the year ended Mar 31, 2020
Finished goods		
- Power	5.81	0.26
	5.81	0.26
25 Employee benefits expense		
	For the year ended Mar 31, 2021	For the year ended Mar 31, 2020
Salaries and wages	63.96	66.18
Contributions to provident and other funds	5.15	4.92
Staff welfare expenses	0.47	0.56
Gratuity expenses (refer note 31)	1.56	1.36
	71.14	73.02
26 Finance costs		
	For the year ended Mar 31, 2021	For the year ended Mar 31, 2020
Interest on finance lease arrangements	4.10	4.25
Interest on debts and borrowings-Secured	72.16	89.01
Interest on debts and borrowings-Unsecured	142.08	137.14
	218.34	230.40
27 Depreciation and amortisation expense		
	For the year ended Mar 31, 2021	For the year ended Mar 31, 2020
Depreciation of property, plant and equipment	103.16	105.27
Amortisation of intangible assets	0.22	0.22
Depreciation of ROU Asset	2.71	2.71
	106.09	108.20
28 Other expenses		
	For the year ended Mar 31, 2021	For the year ended Mar 31, 2020
Repairs and maintenance		
- Buildings	0.06	0.01
- Plant and equipments	35.53	25.38
- Others	0.08	0.04
Management and technical services	25.49	25.49
Facility charges	25.71	25.71
Insurance	8.39	5.75
Power and fuel	0.40	1.32
Rent	1.47	1.47
Rates and taxes	1.94	1.43
Travelling and conveyance	2.69	3.01
Bank Charges	0.06	0.45
Contractor & security charges	10.95	13.23
Legal and professional charges*	5.44	7.06
Expenditure on corporate social responsibility	2.78	-
Fair value loss on current investment	0.71	0.12
Interest on delay payment of statutory dues	1.67	0.18
Miscellaneous expenses	3.33	3.38
	126.70	114.03
* Payment to auditor		
-As auditor		
- Audit Fee	1.47	1.47
- Limited reviews	0.90	0.90
-For other services	-	0.40
-Reimbursements	0.04	0.22
	2.41	2.99



29 Components of Other Comprehensive Income (OCI)

The disaggregation of changes in other comprehensive income by each type of equity is shown below:

	Retained earnings	Total
During the year ended March 31, 2021		
Re-measurement gains on defined benefit plans	0.20	0.20
Tax impact on re-measurement gains on defined benefit plans	-	-
	0.20	0.20
During the year ended March 31, 2020		
Re-measurement losses on defined benefit plans	(1.12)	(1.12)
Tax impact on re-measurement losses on defined benefit plans	-	-
	(1.12)	(1.12)

30 Earnings per share

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders by the weighted average number of equity shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the profit for the year attributable to equity holder by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on conversion of all dilutive potential equity shares into equity shares.

The following reflects the income and shares data used in the basic and diluted EPS computations

	Mar 31, 2021	Mar 31, 2020
Profit attributable to equity holder of the Company for computing basic EPS	(118.29)	(43.08)
	(118.29)	(43.08)
Profit attributable to equity holder of the Company for computing diluted EPS		
Net profit as above	(118.29)	(43.08)
Add: Interest on compulsorily convertible debentures (net of tax)	106.32	102.62
	(11.97)	59.54
Weighted average number of equity shares used for computing -		
- Basic EPS	20.45	20.45
- Diluted EPS (Considering the conversion of CCDs)	20.45	20.45
Basic EPS	(0.59)	2.91
Diluted EPS	(0.59)	2.91

31 Employee benefits

Defined contributions

Provident fund

The Company makes contributions towards provident fund to a defined contribution retirement benefit plan for qualifying employees. The Company's contribution to the employee Provident Fund is deposited with the Regional Provident Fund Commissioner.

The Company has recognised INR 4.92 million (previous year INR 4.72 million) for provident fund contribution in the Statement of Profit and Loss. The contribution payable to the plan by the Company is at the rate specified in the rules to the scheme.

Defined benefit obligation

The Company has defined benefit plans namely leave encashment / compensated absence and gratuity. The liability for both the liabilities is computed using the projected unit credit method by a qualified actuary. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service. The gratuity liability is being administered through ICICI Prudential Life Insurance Company.

The following tables summarize the components of net benefit expense recognised in the profit and loss account and amounts recognized in the balance sheet.

Net employee benefit expense (recognized in Employee Cost) for the year ended March 31, 2021

	Mar 31, 2021	Mar 31, 2020
Current service cost	1.40	1.27
Past service cost	-	-
Net interest cost on net defined benefit liability	0.16	0.09
Re-measurement (or Actuarial) (gain) / loss	-	-
Net benefit expense recognized in statement of profit and loss	1.56	1.36



Amount recognised in Other Comprehensive Income for the year ended March 31, 2021

	Mar 31, 2021	Mar 31, 2020
Re-measurements during the period due to:		
Changes in demographic assumptions	-	(0.01)
Changes in financial assumptions	(0.04)	1.43
Experience adjustments	0.38	0.04
Return on plan assets (excluding amounts included in net interest expense)	(0.54)	(0.34)
Amount recognised in Other Comprehensive Income	(0.20)	1.12

Movement in the present value of defined benefit obligation

	Mar 31, 2021	Mar 31, 2020
Present value of obligation as at the beginning	20.23	16.57
Current service cost	1.40	1.27
Interest cost	1.33	1.25
Exchange loss/(gain)	-	-
Re-measurements due to:		
Actuarial loss / (gain) arising from change in demographic assumptions	-	(0.01)
Actuarial loss / (gain) arising from change in financial assumptions	(0.04)	1.43
Actuarial loss / (gain) arising on account of experience changes	0.38	0.04
Benefits paid	(0.25)	(0.32)
Past service cost	-	-
Balance as at the end of the year	23.05	20.23

Changes in the plan assets are as follows:

	Mar 31, 2021	Mar 31, 2020
Fair value of Plan Assets as at the beginning	17.75	15.37
Investment Income	1.17	1.16
Employer contributions	-	1.20
Benefits paid	(0.25)	(0.32)
Re-measurements due to:		
Actual return on plan assets less interest on plan assets	0.54	0.34
Fair value of Plan Assets as the end	19.21	17.75

The principal assumptions used in determining defined benefit obligations are shown below:

	Mar 31, 2021	Mar 31, 2020
Discount rate	6.65%	6.60%
Withdrawal rate (per annum)	2.00%	2.00%
Salary growth rate	5.2% for the first year and 5% thereafter	5.2% for the first year and 5% thereafter
Mortality rate	100%	100%
Rate of Leave Availment	Earned Leave - 0% Sick Leave - 10%	Earned Leave - 0% Sick Leave - 10%

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors such as supply and demand factors in the employment market. A quantitative sensitivity analysis for significant assumption is as shown below:

	Discount rate		Salary escalation rate	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Effect on DBO due to 1% increase	(1.57)	(1.46)	1.73	1.59
Effect on DBO due to 1% decrease	1.79	1.66	(1.54)	(1.42)

The sensitivity analysis above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period.



The following payments are expected contributions to the defined benefit plan in future years:

	March 31, 2021	March 31, 2020
Within the next 12 months (next annual reporting period)	3.02	2.15
Between 2 and 5 years	8.16	6.81
Between 5 and 10 years	12.41	11.53
Beyond 10 years	17.75	16.71
Total expected payments	41.34	37.20

32 Commitments and contingencies

a) Contingencies

Contingent liabilities (to the extent not provided for):

Particulars	March 31, 2021	March 31, 2020
Excise duty on transfer of assets under BTA (refer note (a))	17.50	17.50
Liability on account of provident fund (refer note (b))	0.24	0.15

Note (a) - The liability pertains to amount to be reimbursed to Simbhaoli Sugars Limited with regard Excise Duty on assets transferred under Business Transfer Agreements (BTA). The instant liability has not been quantified however, INR 17.5 million (March 31, 2020: INR 17.5 millions) has been paid under protest to the Excise Authorities by SSL which is ultimately payable by SPPL.

Note (b) - There are numerous interpretative issues relating to the Supreme Court (SC) judgement on PF dated 28th February, 2019. As a matter of caution, the Company has made a provision on a prospective basis from the date of the SC order. The Company will update its provision, on receiving further clarity on the subject.

- b) There are no commitments on the Company as part of capital account as at March 31, 2021 (March 31, 2020: NIL). The Company has other commitments, for purchase / sale orders which are issued after considering requirements per operating cycle for purchase / sale of goods and services, employee benefits including union agreements in normal course of business.

33 Related party transactions

In the normal course of business, the Company enters into transactions with its joint venturers and key managerial personnel. The names of the related parties of the Company and the nature of relationship are as follows:

Nature of relationship	Name of the party
Joint venturer	Simbhaoli Sugars Limited (SSL) Sindicatum Bagasse India Pte Limited (SBIPL) (From January 10, 2020) Sindicatum Captive Energy Singapore Pte Limited (SCES) (Upto January 09, 2020)
Subsidiaries of joint venturers, having transactions during the year	Sindicatum Carbon Capital (India) P Ltd (SCCPL) Sindicatum Renewable Energy India Private Limited (SREIPI)
Key management personnel of the Company	Mr. Amrendra Prasad Singh, Managing Director - (cessation w.e.f. September 30, 2021) Mr. Devinder Raj Narang Mr. Francesco Giuseppe Michele Boardman Mr. Gurmit Singh Mann Mr. Gurpal Singh Ms. Gursimran Kaur Mann Mr. Manoj Nagrath Mr. H.P.Kain Ms. Jyoti Tejwani - (cessation w.e.f. June 25, 2021) Mr. Robert Eugene Driscoll Mr. Sanjay Tapriya Mr. Pitambar Kumar, Chief Financial Officer Ms. Surabhi Singh, Company Secretary



Disclosure of transactions between the Company and related parties and the status of outstanding balances are as under:

	For the year ended March 31, 2021	For the year ended March 31, 2020
A) Simbhaoli Sugars Limited		
<i>Transactions during the year</i>		
Revenue earned		
-Bagasse conversion income	35.01	36.19
-Power sale and PSA balancing income	12.22	12.18
- Power sale income from DG set & banked power	28.33	25.12
Purchase of raw material	27.84	62.23
Reimbursement of bagasse	14.29	49.32
Interest expense on CCD	127.80	117.17
Facility charges (Refer note 53)	-	19.28
Reimbursement of expenses:		
- Electricity	4.75	14.28
- Other expenses	1.60	6.77
- Recovery of excess amount of bagasse purchased	28.04	30.56
Land lease rent	5.40	5.40
GST recoverable on bagasse conversion charges	6.30	6.51
<i>Balance outstanding as at the year end</i>		
Trade payable	(55.92)	(29.80)
Interest accrued but not due on CCD	418.28	310.07
Liability under Business Transfer Agreement	4.50	4.50
Retention money under Bagasse Supply Agreement	110.00	110.00
Balance payable on account of CCDs	489.29	489.29
Number of shares pledged by SSL	19,29,655	19,29,655
B) Sindicatum Bagasse India Pte Limited		
<i>Transactions during the year</i>		
Interest expense on CCD	78.93	23.70
<i>Balance outstanding as at the year end</i>		
Interest accrued but not due on CCD	87.23	20.14
Balance payable on account of CCD	470.11	470.11
C) Sindicatum Captive Energy Singapore Pte Limited		
<i>Transactions during the year</i>		
Interest expense on CCD	41.27	89.08
Reimbursement of expenses	(0.27)	(0.32)
<i>Balance outstanding as at the year end</i>		
Trade payable	13.37	13.64
Interest accrued but not due on CCD	286.95	261.87
D) Sindicatum Carbon Capital (India) Private Limited		
<i>Balance outstanding as at the year end</i>		
Trade payable	64.55	64.55
E) Sindicatum Renewable Energy India Private Limited		
<i>Transactions during the year</i>		
Management service charges	25.49	25.49
Reimbursement of expenses		
<i>Balance outstanding as at the year end</i>		
Trade payable	41.20	23.33
F) Key managerial personnel		
<i>Compensation during the year</i>		
Short-term employee benefits	7.87	7.88
Personal Guarantee for term loan given by		
- Mr. Gurmit Singh Mann	1,576.00	1,576.00
- Mr. Gural Singh	1,576.00	1,576.00



34 Significant customer

Revenue from one major customer accounted for amounting to INR 427.14 million aggregating to 90% of total revenue (INR 535.98 million aggregating to 82% of total revenue for the year ended March 31, 2020).

35 Segment reporting

The Company has only one reportable business segment, which is sale of power and operates in a single business segment based on the nature of the product, the risk and returns, the organization structure and the internal financial reporting systems. Accordingly, the amounts appearing in the financial statements relate to the Company's single business segment.

36 Fair value

Set out below, is a comparison by class of the carrying amounts and fair value of the Company's financial instruments, other than those with carrying amounts that are reasonable approximations of fair values:

	Carrying amount		Fair value	
	31-Mar-21	31-Mar-20	31-Mar-21	31-Mar-20
Financial Assets				
Financial assets measured at amortised cost				
Loans	0.75	1.06	0.75	1.06
Trade receivables	384.00	573.87	384.00	573.87
Cash and cash equivalents	185.80	12.42	185.80	12.42
Deposits held as security against guarantees	3.26	3.22	3.26	3.22
Other financial asset	0.41	13.44	0.41	13.44
Financial assets measured at fair value through Statement of Profit and loss				
Investments in mutual funds	1.46	59.77	1.46	59.77
	575.68	663.78	575.68	663.78
Financial Liabilities				
Financial liabilities measured at amortised cost				
Term loan from bank	397.47	609.79	397.47	609.79
Liability portion of CCDs	234.05	339.96	234.05	339.96
Lease liability	34.84	36.15	34.84	36.15
Trade payables	139.45	118.32	139.45	118.32
Payable for capital goods	2.45	2.45	2.45	2.45
Interest accrued but not due on borrowings	792.46	592.08	792.46	592.08
Interest accrued and due on borrowings	-	6.51	-	6.51
Employee related liabilities	7.61	7.53	7.61	7.53
Liabilities under business transfer agreement	4.50	4.50	4.50	4.50
Retention money under bagasse supply agreement	110.00	110.00	110.00	110.00
	1,722.83	1,827.29	1,722.83	1,827.29

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

- The fair values of trade receivables, cash and cash equivalents, other current financial assets, trade payable and other current financial liabilities are considered to be same as their carrying values due to their short term nature.
- The fair values of the Company's interest-bearing borrowings and liability portion of CCDs are determined by using DCF method using discount rate that reflects the issuer's borrowing rate as at the end of the reporting period. The own non-performance risk as at 31 March 2021 was assessed to be insignificant.
- Fair value of quoted mutual funds is based on net asset value at the reporting date. The fair value of quoted instruments, loans from banks and other financial liabilities as well as other non-current financial liabilities is estimated by discounting future cash flows using rates currently applicable for debt on similar terms, credit risk and remaining maturities.

37 Fair value hierarchy

All financial instruments for which fair value is recognised or disclosed 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) prices in active markets for identical assets or liabilities.

Level 2: valuation techniques for which the lowest level input that has a significant effect on the fair value measurement are observable, either directly or indirectly.

Level 3: valuation techniques for which the lowest level input which has a significant effect on the fair value measurement is not based on observable market data.

The following table provides the fair value measurement hierarchy of the Company's assets and liabilities.

Quantitative disclosures fair value measurement hierarchy as at March 31, 2021:

	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Assets measured at fair value			
Investments in mutual funds	1.46	-	-

Quantitative disclosures fair value measurement hierarchy as at March 31, 2020:

Particulars	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Assets measured at fair value			
Investments in mutual funds	59.77	-	-



38 Financial Instruments:- Financial risk management objectives and policies

The Company's principal financial liabilities, comprise of loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets includes investment in mutual funds, security deposits, trade and other receivables and cash and cash equivalents that derive directly from its operations.

The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior management oversees the management of these risks and advises on financial risks and the appropriate financial risk governance framework for the Company. The board provides assurance to the shareholder's that the Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives. The Board of Director reviews and agrees policies for managing each of these risks, which are summarised below.

A 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:

- a) interest rate risk,
- b) currency risk and other price risk, such as equity price risk and
- c) commodity risk.

Financial instruments affected by market risk include loans and borrowings, investments, deposits, advances and derivative financial instruments.

The sensitivity analyses in the following sections relate to the position as at 31 March 2021 and 31 March 2020.

The sensitivity analyses have been prepared on the basis that the amount of net debt, the ratio of floating to fixed interest rates of the debt and derivatives and the proportion of financial instruments in foreign currencies are all constant in place at 31 March 2021.

The analyses exclude the impact of movements in market variables on: the carrying values of gratuity and other post-retirement obligations; provisions. The sensitivity of the relevant profit or loss item is the effect of the assumed changes in respective market risks.

a Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligations with fixed interest rates.

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected, after the impact of hedge accounting. With all other variables held constant, the Company's profit before tax is affected through the impact on floating rate borrowings, as follows:

	Increase/decrease in basis points	Effect on profit before tax	Effect on equity (OCI)
As at March 31, 2021			
INR Borrowings	+0.5%	1.99	-
	-0.5%	(1.99)	-
As at March 31, 2020			
INR Borrowings	+0.5%	3.05	-
	-0.5%	(3.05)	-

b Price risk: The Company is mainly exposed to the price risk due to its investment in mutual funds. The price risk arises due to uncertainties about the future market values of these investments.

B Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is not exposed to any significant credit risk from its operating activities (primarily trade receivables), including deposits with banks and financial institutions, and other financial instruments.

Trade receivables

Concentration of credit risk with respect to trade receivables are limited, since the majority of the Company's revenue is generated from Government Company. All trade receivables other than that are reviewed and assessed for default on a regular basis. Historical experience of the Company for collecting receivables is that credit risk is low. Refer note 2.14 for accounting policy on impairment of trade receivables.

Age Bracket	Not Due	0 - 215 Days	216-365 Days	366 - 730 Days	More than 730 Days	Total
As at 31 March 2020 (including unbilled revenue)	-	357.89	178.09	51.07	-	587.05
As at 31 March 2021	-	315.70	-	68.30	-	384.00
Other financial assets	-	-	-	-	-	-

The Company maintains exposure in cash and cash equivalents and money market liquid mutual funds. Credit risk from balances with banks and financial institutions is managed by the Company's treasury department in accordance with the Company's policy. The Company's maximum exposure to credit risk as at 31st March, 2021 and 31st March, 2020 is the carrying value of each class of financial assets.



Credit risk exposure

The Company's maximum exposure to credit risk for the components of the balance sheet at March 31, 2021 and March 31, 2020 is the carrying amounts as illustrated in note below:

	Note	March 31, 2021	March 31, 2020
Investments in mutual funds	5	1.46	59.77
Loans	6	0.75	1.06
Trade receivables	11	384.00	573.87
Cash and cash equivalents	12	185.80	12.42
Deposits held as security against guarantees	13	3.26	3.22
Other financial assets	7	0.41	13.44
		575.68	663.78

C 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 objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts, and bank loans. The company's approach to managing liquidity to ensure, as far as possible, that it will have sufficient liquidity to meet its liability when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. The Company closely monitor its liquidity position and deploys a robust cash management system. The Company manages liquidity risk by maintaining adequate reserves, borrowing liabilities, by continuously monitoring forecast and actual cash flows, profile of financial assets and liabilities. It maintain adequate sources of financing including loans from banks at an optimised cost. The table below provides the details regarding contractual maturities of financial liabilities.

	Carrying amount	6 months or less	6-12 months	1-2 years	2-5 years	More than 5 years
As at March 31, 2021						
Borrowings	631.52	232.95	168.97	229.60	-	-
Lease liability	34.84	0.73	0.73	1.64	6.26	25.48
Trade payables	139.45	73.52	1.91	64.02	-	-
Employee related liabilities	7.61	7.61	-	-	-	-
Other financial liabilities (excluding current maturities of long term borrowings)	909.41	57.45	55.00	309.40	483.06	4.50
	1,722.83	372.26	226.61	604.66	489.32	29.98

	Carrying amount	6 months or less	6-12 months	1-2 years	2-5 years	More than 5 years
As at March 31, 2020						
Borrowings	949.75	108.32	165.06	345.69	330.68	-
Lease liability	36.15	0.65	0.65	1.46	5.56	27.83
Trade payables	118.32	118.32	-	-	-	-
Employee related liabilities	7.53	7.53	-	-	-	-
Other financial liabilities (excluding current maturities of long term borrowings)	715.54	8.96	4.50	592.08	110.00	-
	1,827.29	243.78	170.21	939.23	446.24	27.83

39 Supplementary statutory information

	March 31, 2021	March 31, 2020
a) Expenditure in foreign currency (accrual basis)		
Travelling (net of expenses recovered)	-	-



40 Capital Management

For the purpose of the Company's capital management, capital includes issued equity capital, share premium and all other equity reserves attributable to the equity holders of the parent. The primary objective of the Company's capital management is to maximize the shareholder value.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company includes within net debt, interest bearing loans and borrowings, trade and other payables, less cash and cash equivalents.

The Company's gearing ratio was as follows:

	31-Mar-21	31-Mar-20
Borrowings	631.52	949.75
Trade payables	139.45	118.32
Other liabilities	1,050.16	857.01
Less: cash and cash equivalents	(185.80)	(12.42)
Adjusted Net debt (A)	1,635.33	1,912.66
Equity	1,489.72	1,582.10
Total equity (B)	1,489.72	1,582.10
Total equity and net debt [C = (A+B)]	3,125.05	3,494.76
Gearing Ratio (A/C)	52.33%	54.73%

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. 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 borrowing in the current period.

No changes were made in the objectives, policies or processes for managing capital during the year ended March 31, 2021 and March 31, 2020.

41 Compulsorily Convertible Debenture

(a) In earlier years, the Company has issued 9.59 million unsecured Compulsorily Convertible Debentures (CCD) of INR 100 each amounting to INR 489.29 million to Simbhaoli Sugars Limited (SSL) and of INR 470.11 million to Sindicatum Captive Energy Singapore Pte Ltd. (SCES). The key terms of debenture are as under:

1. Interest is payable on each series of CCDs at a rate of 14.5% per annum for the first 48 months from the date of issue and 16% per annum thereafter
2. Interest on CCDs shall accrue from the date of issuance of the CCD and accumulate for the first 15 months from the date of issuance of such CCD. Subsequently, Interest on CCDs to be paid annually on March 31 every year with cumulation of interest in case of delay in payment on annual basis.
3. CCDs will be compulsorily convertible into ordinary equity shares of the Company on the earlier of (i) the exercise of Sindicatum Captive Energy Singapore Pte Limited right to require conversion under terms of the Joint Venture Agreement, (ii) the giving of a Buy Out Notice or a Sale Notice, at the sole discretion and option of the SCES; or (iii) in 5 tranches, starting from January 2019 and ending in January 2023, as stipulated in the in the JVA.
4. All CCDs will convert into equity shares on January 25, 2023.

(b) Interest accrued but not due on borrowings represents interest on CCDs of INR 792.46 million (INR 592.08 million as on March 31, 2020). However, the Company has been granted extension for payment of this interest by the debenture-holders till December 31, 2022. Accordingly, interest accrued has been classified as 'non-current financial liabilities' under financial statements.

42 The Company, based on an opinion from its consultant, has concluded that accounting adjustment to 'other equity' in accordance with Ind AS 32 representing equity portion of CCDs have not been considered as part of the 'transition amount' for book profit for the purpose of computation of tax liability under Minimum Alternate Tax (MAT) under section 115JB of the Income Tax Act, 1961.

43 The Company has been carrying out the conversion of bagasse for the Simbhaoli and Chilwaria Sugar plants of SSL under long term Bagasse Conversion Agreement ('BCA') whereby it has been supplying the required quantity of steam and power to SSL by converting bagasse for agreed conversion charges. The Company, based on legal opinion, has concluded that the BCA entered into with SSL is in the nature of job work and accordingly, has applied the provision of the Goods and Service Tax (GST) Act thereon.

The Company had entered into an amended and restated BCA with SSL to ensure compliance with GST Act w.r.t. arm's length price. As per amended and restated BCA, conversion charges for each billing period shall be computed based on conversion method in the BCA provided that such conversion charges to be charged from SSL shall not be less than its cost of generation of steam and power at the plus 10% mark up. Revenue from contract with customers have been accounted for accordingly.

44 As per Bagasse Supply Agreement (BSA) dated January 25, 2013, as amended, executed between the Company and Simbhaoli Sugars Limited (SSL), in case of purchase of surplus bagasse, an amount not exceeding 25% of the amount due under each invoice rendered by SSL, shall be retained by the Company as retention money, subject to maximum amount of INR 110 million. The Company has INR 110.00 million and INR 110.00 million outstanding as of March 31, 2021 and March 31, 2020 respectively.

45 Pursuant to the Business Transfer Agreements (BTA) dated January 25, 2013 and subsequent amendments thereto, executed between the Company and SSL, SSL has transferred the Power Cogeneration divisions at Simbhaoli and Chilwaria with all properties, assets, liabilities, rights and obligations which have vested in the Company for an aggregate consideration of INR 1,597.86 millions. In terms of the JV Agreement, the residual consideration outstanding of INR 4.50 million shall remain outstanding as "Non Interest Bearing Amount" disclosed under "Other financial liabilities".



46 Micro, small and medium enterprises

The Micro, Small and Medium Enterprises have been identified by the Company from the available information, which has been relied upon by the auditors. According to such identification, the disclosure in respect to Micro and Small Enterprises as per MSMED Act, 2006 is as follows:

Particulars	31-Mar-21	31-Mar-20
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year	0.31	0.23
Principal amount due to micro and small enterprises	0.31	0.23
Interest due on above	-	-
The amount of interest paid by the buyer in terms of section 16 of the MSMED Act 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	-	-
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.	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year.	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act 2006	-	-

47 Going Concern

Due to outbreak of COVID-19, India and other global markets experienced significant disruption in operations resulting from uncertainty caused by the pandemic. The Company is in the business of generation of electricity, which is categorised as an essential service, the management believes that the outbreak on the business and financial position of the Company will not be significant. During the year ended March 31, 2021, the Company has incurred a net loss of INR 118.29 million (INR 43.08 million during the year ended March 31, 2020), primarily due to reduction in tariff as explained in Note 51 of the financial statement. The management has exercised various options such as obtaining deferment of interest on compulsory convertible debentures amounting to INR 792.46 million to keep sufficient liquidity of cash for the Company to meet all its obligation as they become due. The Company is closely monitoring its operations, liquidity and capital resources and is actively taking actions as required.

In view of the above these financial statements are continued to be presented on going concern basis, which contemplates realisation of assets and settlement of the liabilities in the normal course of business.

48 Impact of COVID-19 pandemic

The Covid-19 pandemic has adversely impacted almost all the sectors worldwide. Further, to minimize its impact Government of India has announced a nationwide lockdown with effect from 25 March 2020 in various phases.

However, continuity has been ensured in maintaining the essential services including generation and distribution of electricity. The Company has two power plants and both have continued their operations at their normal capacities conceding with the operations of sugar plants in vicinity. The sale of power to UPPCL under the power purchase agreement also remained uninterrupted. The Company is in the business of generation of electricity, which is categorised as an essential service, the management believes that the outbreak on the business and financial position of the Company will not be significant.

49 Change in ownership

Simbhaoli Power Private Limited is co-gen power business Company with an existing capacity of 100 MW. The Company has a joint venture arrangement with Simbhaoli Sugars Limited holding 51% of ownership and Sindicatum Captive Energy Singapore Pte Limited holding remaining 49%.

Simbhaoli Sugars Limited (SSL) holds 55,38,744 equity shares and 48,92,941 debentures of the Company while Sindicatum Captive Energy Singapore Pte Limited (SCES) holds 53,21,540 equity shares and 47,01,060 debentures of the Company.

During the previous year, Sindicatum Captive Energy Singapore Pte Limited (SCES) had transferred its complete holding of equity shares as well as debentures to its affiliate Sindicatum Bagasse India Pte Limited (SBIPL).

SBIPL is a private limited Company incorporated and registered under the laws of Singapore and having its registered office at 80, Anson road, # 28-02, Fuji Xerox towers, Singapore – 079907.

SCES executed a deed of adherence dated September 02, 2019 between the Joint Ventures proposing the transfer of shares to its affiliate shareholder SBIPL.

The transfer of ownership from SCES to SBIPL took place on January 10, 2020 whereby Sindicatum Captive Energy Singapore Pte. Limited (“SCES”) transferred its entire shareholding in Simbhaoli Power Private Limited (“SPPL”) comprising 5,321,540 equity shares and 4,701,060 compulsory convertible debentures (hereinafter collectively referred to as “Sale Securities”) together with all rights in relation to the Sale Securities, to its affiliate, Sindicatum Bagasse India Pte Limited (“SBIPL”).

Along with the transfer of Sale Securities, SCES also transferred all the rights and obligations of SCES under the amended and restated Joint Venture Agreement dated December 13, 2012 (as amended from time to time) (“JVA”) executed between Simbhaoli Sugars Limited (“SSL”), SCES and SPPL executed between the Parties to SBIPL.

50 Asset held for sale

In the earlier years, the Company has written-off a Turbine Generator & a Fuel Conversion System (“Equipment”), classified as ‘property, plant and equipment’ in the financial statement, with Written Down Value (“WDV”) as at March 31, 2019 of INR 106.49 million as the management does not envisage effective usage of the same without significant expenditure which makes its usage in future un-viable. In July 2019, the Company has entered into an ‘agreement to sell’ with a customer for sale of these Equipment. In accordance with Ind AS 105, “Non-current Assets Held for Sale and Discontinued Operations”, these Equipment have been classified as “Assets held for sale” in the Balance Sheet at salvage value amounting INR 4.57 million. In the previous year, the Company had sold one of its part amounting INR 1.2 million and the same has been adjusted with the closing balance of ‘Assets held for sale’. The Company is still in the process of completing the sale of Equipment as per the terms of the agreement.



51 Dispute on reduction under power tariff by UPERC

During earlier year, vide its notification dated July 25, 2019 hosted on Uttar Pradesh Electricity Regulatory Commission ('UPERC') website on September 4, 2019, UPERC has notified UPERC (Captive and Renewable Energy Generating Plants) Regulations, 2019 ('CRE Regulations 2019') which has, inter alia, reduced the tariff applicable to bagasse based generation plants in the state of Uttar Pradesh w.e.f. April 1, 2019 which is significantly lower than the prevailing tariff. As per CRE Regulations, such reduction in tariff was made by UPERC citing lower fixed and variable costs for these power plants. This reduction in tariff may have an adverse impact on the business and operations of the Company. The management believes that there are anomalies in the process of tariff fixation and this reduced tariff notified by UPERC is based on unrealistic assumptions and is contrary to past practices. The Company, along with bagasse-based co-generators operating in the state, have filed a writ petition with High Court of Allahabad, Lucknow Bench, which have been accepted by the Court. The writ petition has challenged the validity of these regulations due to lack of necessary quorum of UPERC for notifying the regulations, retrospective application of CRE Regulations 2019, cost of bagasse etc. The management based on opinion from legal counsel is confident of relief from the High Court and suitable modification in CRE Regulations 2019 and thus does not expect financial implications of this, if any, to be material. Based on writ petition filed and legal opinion obtained, the Company has recorded revenues from operations for the period from April to September 2019 at pre CRE Regulations 2019 tariff instead at the reduced tariff as per CRE Regulations 2019. With effect from October 01, 2019, the Company has accounted for sale of power to Uttar Pradesh Power Corporation Limited ('UPPCL'), the customer, at reduced tariff rate under protest and subject to outcome of Hon'ble High Court decision on writ petition.

Revenue from operations for the year ended March 2021 would have been lower by INR Nil (INR 68.30 million for the year ended March 31, 2020), if revenue were accounted for at reduced tariff as per CRE Regulations 2019. Considering the current status and the matter is sub-judice, it is not possible for the management to estimate the extent of the change, if any, in the tariff.

52 The Company purchases bagasse (raw material), from its holding Company Simbhaoli Sugars Limited ("SSL") as per the terms of Bagasse Supply Agreement ("BSA"), purchase price of which is determined as per tariff in Power Purchase Agreements ("PPAs"). Purchases of bagasse for the year ended March 31, 2021 have been recorded at prices determined on the basis of revised tariff in respective PPAs, which have not been accepted by the holding Company.

In its balance confirmation, SSL has reported a difference of INR 26.57 million on account of difference in bagasse purchase price and INR 64.07 million on account of unreconciled difference in purchase of bagasse quantity. Additionally, in the current year, a further dispute has arisen with SSL with respect to certain debit notes raised by the Company towards consumables. In its balance confirmation, SSL has reported additional difference of INR 6.36 million. The final outcome of same is pending as on date.

Waiver of facility charges by Holding Company

53 During the year, Simbhaoli Sugars Limited has waived facility charges for the period from January 2020 to March 2021 to support the operations of the Company. The Company has recorded the same as Capital contribution from parent and accordingly booked the facility charges for the period from January to March 2020 under Other equity with corresponding debit to Statement of profit & loss. In the current year also, the holding company has waived off facility charges for the period from April, 2021 to March, 2022.

54 Section 135 of the Companies Act, 2013, which came into effect on April 1, 2014, requires the Company to constitute a Corporate Social Responsibility (CSR) Committee of Directors, adopt a CSR Policy and spend at least 2% of its average net profits made during the immediately preceding three financial years towards CSR activities as set out in Schedule VII to the Companies Act, 2013. The Company has already constituted CSR Committee. In accordance with the provisions of Section 135 of the Companies Act, 2013, the Company was required to spend INR 2.78 million (previous year INR 3.33 million) on prescribed CSR activities. Subsequent to the current year, the Company has opened a separate bank account and deposited INR 6 million on account of unspent CSR liability of earlier years. The detail of CSR expense is as follows:-

	31-Mar-21		31-Mar-20
	INR in million		INR in million
a) Gross amount required to be spent during the year		2.78	3.33
b) Amount spent during the year ending on March 31, 2021:	Amount Incurred	Amount yet to be paid	Total
i) Construction/acquisition of any asset	-	-	-
ii) On purposes other than (i) above	2.78	-	2.78
c) Amount spent during the year ending on March 31, 2020:			
i) Construction/acquisition of any asset	-	-	-
ii) On purposes other than (i) above	-	-	-

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

As per our report of even date

For S.R. Batliboi & Co. LLP
 Chartered Accountants
 ICAI Firm Registration No: 301003E/ E300005

For and on behalf of the Board of Director of
 Simbhaoli Power Private Limited

T. Das Mahapatra

per Tanmoy Das Mahapatra
 Partner
 Membership Number: 058259



Sanjay Tripathi
 Managing Director
 DIN: 07740375

Surabhi Singh
 Company Secretary
 M. No.: A39202

Devinder Raj Naray
 Director
 DIN- 00870801
 Place - Kolkata

Pitambar Kumar
 Chief Financial Officer
 M. No.: 505564

Gurmit Singh Mann
 Director
 DIN- 00066653
 Place - Dharamsala

Place: *Joelapur*
 Date: *28/12/2021*

Place: New Delhi
 Date: *28/12/2021*

