

**INDEPENDENT AUDITOR'S REPORT**

**TO THE MEMBERS OF SHIRPUR POWER PRIVATE LIMITED**

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

**Qualified Opinion**

We have audited the accompanying standalone financial statements of **SHIRPUR POWER PRIVATE LIMITED** ("the company"), which comprise the Balance Sheet as at 31st March, 2019, the Statement of Profit & Loss (including other comprehensive Income), the statement of changes in equity and the Statement of Cash Flow for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of matter described in the Basis for Qualified Opinion section of our report, the aforesaid financial statements read together with significant accounting policies and accompanying notes thereon give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs (financial position) of the Company as at 31st March, 2019, and its Loss (financial performance including other comprehensive income), the changes in equity and its cash flow for the year ended on that date.

**Basis for Qualified Opinion**

- (1) We draw attention to Note-24.1(b) to the financial statements which describes that the Company has defaulted in payment of interest on term loans availed from Banks and that such term loan accounts have been classified by Banks as NPAs and that no provision for interest including for amortization of processing fees using effective interest rate has been made in the accounts and that balance of borrowings outstanding as at 31<sup>st</sup> March, 2019 is subject to confirmation;



- (2) We draw attention to Note No. 34.3 to the financial statements regarding non provision of damages aggregating to Rs.26.14 Crores awarded by High Court of Republic of Singapore for breach of terms of Contract.

**Emphasis of matter:**

- (a) Attention is invited to Note No. 24.1(b) which states that the company has defaulted in payment of interest on term loan from banks and with regard to repayment of principal amount, which; as per the management's contention, has not become due. The amount of default in payment of interest has not been ascertained in absence of any advice/intimation from lenders.
- (b) The entire amount of secured borrowings from banks have been classified as noncurrent liabilities though as mentioned in Note No. 24.1(b)/24.1(d) to the financial statements which states that the loan accounts of the Company have been classified as Non-Performing Assets by its lenders and therefore become due for immediate repayment and therefore are in the nature of current liabilities.
- (c) We draw attention to Note No. 24.2 to the financial statements regarding indication of impairment in the carrying value of property, plant and equipment (PPE) which states that in absence of any reliable sources or information and data including active market data for measurement of fair value of PPE; computation of recoverable amount of PPE has been made on Discounted Cash Flow method based on certain assumptions. The assumptions as well as the technical parameters on the basis of which the future cash-flows have been computed by the management involves substantial judgments and estimates upon which we have relied upon.

**Material Uncertainty Related to Going Concern:**

The Company's borrowings from banks have been classified by the lenders as non-performing assets during the year and the lenders have initiated recovery proceedings against the Company under Insolvency & Bankruptcy Code. We were informed that the Company has approached its lenders for onetime settlement of its entire dues in accordance with the guidelines issued by Reserve Bank of India and the same is under consideration of the lenders. There is uncertainty about commencement of operations or divestment of the plant including price which it would fetch. In view of various factors described in Note-24.1 and more particularly Note -24.1(f), there are no chances of raising further funds or infusion of capital in the Company.



The above factors cast a significant uncertainty on the Company's ability to continue as a going concern. Pending the resolution of the above uncertainties, the Company has prepared the aforesaid Financial Statements on a going concern basis.

**Information Other than the Financial Statements and Auditor's Report Thereon**

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

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

**Responsibilities of Management for the Financial Statements**

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position and financial performance of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors 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 the



Board of Directors 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 Financial Statements**

Our objectives are to obtain reasonable assurance about whether the 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 financial statements.

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

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



- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the 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. We refer to our comments under paragraph "Material Uncertainty Related to Going Concern" hereinabove.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.





**Report on Other Legal and Regulatory Requirements**

1. As required by 'the Companies (Auditors' Report) Order, 2016 ( "the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "**Annexure A**" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
  
2. As required by section 143(3) of the Act, we report that :
  - a) We have sought & obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
  
  - b) In our opinion, proper books of account as required by law have been kept by the company so far as appears from our examination of those books, subject to no provision for interest on loans has been made as stated in Note-24(b) to the Financial Statements.
  
  - c) The Balance sheet, statement of Profit & Loss (including other comprehensive income), the statement of Changes in equity and the Cash Flow Statement dealt with by this report are in agreement with the relevant books of account.
  
  - d) In our opinion, the aforesaid financial statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act read with Companies (Indian Accounting Standard) Rules 2016.
  
  - e) On the basis of the written representation received from the directors as on 31<sup>st</sup> March, 2019 taken on record by Board of Directors, none of the director is disqualified as on 31st March, 2019 from being appointed as a director in terms of section 164(2) of the Companies Act, 2013.
  
  - f) With respect to the adequacy of the internal financial control over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B". Our report expresses modified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.



**SHAH & SHAH ASSOCIATES**  
**CHARTERED ACCOUNTANTS**

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- g) With respect to the other matters to be included in the Auditor's report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion, not applicable to the Company being a private limited company.
- h) With respect to other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i) The company has disclosed the impact of pending litigations as at 31<sup>st</sup> March, 2019 on its financial position in its 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 has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company

For **SHAH & SHAH ASSOCIATES**  
Chartered Accountants  
Firm Regn. No. 113742W



*V. C. Tanna*

**VASANT C. TANNA**  
**PARTNER**

Membership Number: 100422  
UDIN: 19100422 AAAA1R6012

Place : Ahmedabad.  
Date : 14<sup>th</sup> September, 2019

**Annexure A" to the Independent Auditor's Report**

(Referred to in paragraph 1 under the heading 'Report on Other Legal & Regulatory Requirement' of our report of even date to the IND-AS financial statements of the **M/s SHIRPUR POWER PRIVATE LIMITED** for the year ended March 31, 2019):

- (i) (a) The Company has generally maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) According to the information and explanations given to us, the fixed assets are verified in a phased manner by the management, during the year which, in our opinion is reasonable having regard to the size of the Company and nature of its assets. No material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
- (ii) The inventory of the company comprise of only coal which, as explained to us, considering its nature and volume, can-not be physically verified and therefore no physical verification of inventory of coal has been carried out by the management during the year.
- (iii) 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.
- (iv) According to the information and explanations given to us, the company has not made any investment or given any loans during the year. The Company has not provided any guarantee or security during the year under review. Accordingly, paragraph 3(iv) of the Order is not applicable.
- (v) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposit nor has any unclaimed deposit within the meaning of the provisions of Sections 73 to 76 or any other relevant provision of the Act and the rules framed thereunder. Therefore, the provisions of Clause (v) of paragraph 3 of the Order are not applicable to the Company.
- (vi) As explained to us, maintenance of cost records has not been prescribed by the Central Government under section 148(1) of the Act. Accordingly, the provisions of Clause (vi) of paragraph 3 of the Order are not applicable to the Company.
- (vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, undisputed statutory dues including provident fund, employees state Insurance, income-tax, sales tax, value added tax, Goods & Service Tax, duty of customs, duty of excise, service tax, cess and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities.





- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees state insurance, income tax, sales tax, value added tax, Goods & Service Tax, duty of customs, duty of excise, service tax, cess and other material statutory dues were in arrears as at 31st March 2019 for a period of more than six months from the date they became payable.
- (c) According to the information and explanations given to us, there are no dues of income tax, sales tax, duty of excise, service tax, value added tax Goods & Service Tax and duty of customs which have not been deposited with the appropriate authorities on account of any dispute.
- (viii) According to the records of the Company examined by us and as per information & explanations given to us, defaults in payment of interest on loans from banks has aggregated to Rs.122.71 Crores for interest due up to 31<sup>st</sup> March, 2018. As narrated in Note-24.1, all the loan accounts have become nonperforming assets, advice/intimation for interest charged by banks from lenders have not been received and company's proposal for one time settlement of dues being pending, during the year under review the company has not provided interest on term loans from banks and therefore amount of defaults in payment of interest to Banks has not been ascertained for the period commencing from April, 2018. With regard to principal amount of loan, in absence of commercial operations, as per the management's contention repayment of principal amount has not become due which is under negotiation with the lenders. The company has not taken any loan or borrowings from Financial Institutions and Government and has not issued any debentures.
- (ix) According to the information & explanations given to us, the Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year under review. Accordingly, paragraph 3(ix) of the Order is not applicable.
- (x) According to the information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- (xi) In our opinion and according to the information and explanations given to us, the Company has not paid any managerial remuneration within the meaning of Section 197 read with Schedule V to the Act, hence the provisions of clause (xi) of paragraph 3 of the Order is not applicable to the Company.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, there are no transactions with the related parties and hence the provisions of clause (xiii) of paragraph 3 of the Order is not applicable to the Company.
- (xiv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with them. Accordingly, paragraph 3(xv) of the Order is not applicable.



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(xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.



**Date : 14<sup>th</sup> September, 2019**  
**Place : Ahmedabad**

**FOR SHAH & SHAH ASSOCIATES**  
**Chartered Accountants**  
**Firm Regn. No. 113742W**

V. C. TANNA

**VASANT C. TANNA**  
**PARTNER**  
**Membership Number: 100422**

**"Annexure B" to the Independent Auditor's Report**  
**(Referred to in our report of even date)**

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

We have audited the internal financial controls over financial reporting of **M/s SHIRPUR POWER PRIVATE LIMITED** ("the Company") as of 31 March 2019 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

**Management's Responsibility for Internal Financial Controls**

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('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 company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

**Auditors' Responsibility**

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

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

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

**Meaning of Internal Financial Controls over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of IND-AS financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of IND-AS financial statements in accordance with generally accepted accounting principles, and



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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 unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on IND-AS 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.

**Basis for Qualified Opinion**

According to the information and explanations given to us and based on our audit, a material weakness has been identified as at 31<sup>st</sup> March, 2019 in the Company's internal financial controls over financial reporting in respect of following:

- (a) No provision for interest including for amortization of processing fees using effective interest rate has been made in the accounts and balances of borrowings outstanding as at 31<sup>st</sup> March, 2019 are subject to confirmation ( Refer note-24.1(b) to the financial statements) ;
- (b) Non provision of damages aggregating to Rs.26.14 Crores awarded by High Court of Republic of Singapore for breach of terms of Contract. ( Refer note-34.3 to the financial statements)

**Qualified Opinion**

In our opinion, to the best of our information & according to the explanations given to us, except for the effects of the material weakness described in Basis for Qualified Opinion" paragraph above on the achievement of the objectives of the control criteria, the Company has maintained, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31<sup>st</sup> March 2019, 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.

We have considered the material weakness identified and reported above in determining the nature, timing and extent of audit tests applied in our audit of the financial statements of the Company for the year ended on 31<sup>st</sup> March, 2019 and the material weakness affects the opinion on the said financial statements of the Company.

**FOR SHAH & SHAH ASSOCIATES**  
**Chartered Accountants**  
**Firm Regn. No. 113742W**

*Vasant C. Tanna*

**VASANT C.TANNA**  
**PARTNER**

**Membership Number: 100422**



**Date : 14<sup>th</sup> September, 2019**  
**Place : Ahmedabad**

**SHIRPUR POWER PVT LTD**  
**BALANCE SHEET AS AT 31ST MARCH, 2019**

	Note No.	As at 31.03.2019	As at 31.03.2018
<b>ASSETS</b>			
<b>Non-current assets</b>			
a) Property, Plant and Equipment	2	10,06,98,85,651	12,87,91,62,042
b) Capital work-in-progress		8,05,71,98,726	10,24,45,19,559
c) Intangible assets	3	19,24,71,559	19,74,92,061
d) Financial Assets			
i) Other Financial Assets	4	26,10,827	26,02,187
e) Other non-current assets	5	30,00,000	30,00,000
		<b>18,32,51,66,763</b>	<b>23,32,67,75,849</b>
<b>Current assets</b>			
a) Inventories	6	1,36,94,404	5,27,47,284
b) Financial Assets			
i) Cash and cash equivalent	7	10,33,473	44,85,382
ii) Bank balances other than (iii) above	8	6,49,79,415	6,36,95,434
b) Current Tax Assets (net)		21,89,604	18,65,367
c) Other current assets	5	3,63,584	67,16,983
		<b>8,22,60,480</b>	<b>12,95,10,450</b>
<b>Total Assets</b>		<b>18,40,74,27,243</b>	<b>23,45,62,86,299</b>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
a) Equity Share capital	9	41,04,25,080	41,04,25,080
b) Other Equity	10	1,35,09,07,589	6,38,88,13,650
		<b>1,76,13,32,669</b>	<b>6,79,92,38,730</b>
<b>LIABILITIES</b>			
<b>Non-current Liabilities</b>			
a) Financial liabilities			
i) Borrowings	11	16,12,97,48,333	15,06,03,06,492
b) Provisions	13	2,18,419	7,83,130
		<b>16,12,99,66,752</b>	<b>15,06,10,89,622</b>
<b>Current liabilities</b>			
a) Financial Liabilities			
i) Other financial liabilities	12	50,90,43,725	1,58,76,68,519
b) Other current liabilities	14	1,71,710	16,08,691
c) Provisions	13	69,12,387	66,80,737
		<b>51,61,27,822</b>	<b>1,59,59,57,947</b>
<b>Total Equity and Liabilities</b>		<b>18,40,74,27,243</b>	<b>23,45,62,86,299</b>

See accompanying notes forming part of financial statements

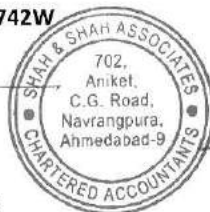
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The Notes referred to above form an Integral part of this statement  
As per our attached report of even date

For Shah & Shah Associates  
Chartered Accountants  
Firm Registration No. 113742W

Vasant C Tanna  
(Partner)  
Membership No. : 100422

Place: Ahmedabad  
Date: 14/09/2019



For and on behalf of the Board of Directors of  
Shirpur Power Pvt. Ltd.

Vidyut A Sheth  
(Director)  
Din: 00239371

Place: Ahmedabad  
Date: 14/09/2019

Ashoke Maitra  
(Director)  
Din: 07246375

Nikunj Shah  
CFO





**SHIRPUR POWER PVT LTD**  
**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2019**

	Note No.	For the Year ended on 31st March, 2019 Amount Rs.	For the Year ended on 31st March, 2018 Amount Rs.
<b>1. INCOME</b>			
Revenue from Operations	15	3,45,34,376	1,41,70,483
Other Income	16	16,26,577	1,22,73,378
<b>TOTAL REVENUE</b>		<b><u>3,61,60,953</u></b>	<b><u>2,64,43,861</u></b>
<b>2. EXPENSES</b>			
Cost of Material	17	3,90,52,880	1,71,27,200
Employee Benefits Expense	18	66,14,070	3,68,03,409
Finance Costs	19	4,081	76,43,16,522
Depreciation, Amortization and Impairment loss	20	4,98,96,48,147	17,60,84,681
Other Expenses	21	3,84,47,047	7,23,77,051
<b>Total Expenses</b>		<b><u>5,07,37,66,225</u></b>	<b><u>1,06,67,08,863</u></b>
<b>3. PROFIT / (LOSS) BEFORE TAX</b>		<b><u>(5,03,76,05,272)</u></b>	<b><u>(1,04,02,65,002)</u></b>
<b>4. TAX EXPENSE</b>			
Current Tax			
- Related to Current Year		-	-
- Related to Prior Year		-	(9,73,579)
Deferred Tax		-	-
<b>5. PROFIT / (LOSS) FOR THE PERIOD</b>		<b><u>(5,03,76,05,272)</u></b>	<b><u>(1,03,92,91,423)</u></b>
Other Comprehensive Income			
i) Reclassifiable to profit or loss in subsequent periods			
ii) Not reclassifiable to profit or loss in subsequent periods			
- Remeasurements of the defined benefit obligation		(3,00,789)	(2,61,526)
- Income Tax effect on above			
<b>Total Comprehensive Income for the year</b>		<b><u>(5,03,79,06,061)</u></b>	<b><u>(1,03,95,52,949)</u></b>
<b>Earnings per equity share of face value of Rs. 10 each</b>			
Basic / Diluted Earnings Per	22	(122.74)	(25.32)

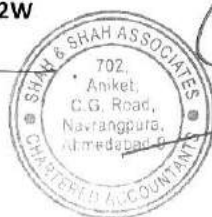
See accompanying notes forming part of financial statements 1 - 34

The Notes referred to above form an Integral part of this statement  
As per our attached report of even date

For Shah & Shah Associates  
Chartered Accountants  
Firm Registration No. 113742W

Vasant C Tanna  
(Partner)  
Membership No. : 100422

Place: Ahmedabad  
Date: 14/09/2019



For and on behalf of the Board of Directors of  
Shirpur Power Pvt. Ltd.

Vidyut A Sheth  
(Director)  
Din: 00239371

Place: Ahmedabad  
Date: 14/09/2019

Ashoke Maitra  
(Director)  
Din: 07246375



Nikunj Shah  
CFO

N. C. Shah

SHIRPUR POWER PRIVATE LIMITED  
Notes to the Special Purpose Financial Statements

STATEMENT OF CHANGES IN EQUITY

(a) Equity Share Capital

Particulars	(Amount in ` )	
	As at 31st March, 2019	As at 31st March, 2018
Balance at the beginning of the year	4104,25,080	4104,25,080
Changes in equity share capital during the year	-	-
<b>Balance at the end of the year</b>	<b>4104,25,080</b>	<b>4104,25,080</b>

(b) Instruments entirely equity in nature

Particulars	(Amount in ` )	
	As at 31st March, 2019	As at 31st March, 2018
Quasi Equity :		
Unsecured Loan from Holding Company*		
Balance at the beginning of the year	37611,30,937	30919,89,346
Add: Interest accrued on above	-	-
Add: Amount received During the Year	-	6691,41,591
<b>Balance at the end of the year</b>	<b>37611,30,937</b>	<b>37611,30,937</b>

(c) Other Equity

Particulars	Reserves & Surplus			Other Comprehensive	Total Equity
	Sec Premium	Retained earnings			
Balance at the beginning of April 1, 2018	36695,25,720	(10410,96,650)		(7,46,357)	26276,82,713
Profit \ (Loss) for the year	-	(50376,05,272)		(3,00,789)	(50379,06,061)
<b>Balance at the end of March 31, 2019</b>	<b>36695,25,720</b>	<b>(60787,01,922)</b>		<b>(10,47,146)</b>	<b>(24102,23,348)</b>

As on 31st March, 2018

Particulars	Reserves & Surplus		Other Comprehensive Income	Total Equity
	Security Premium	Retained Earnings		
Balance at the beginning of April 1, 2017	36695,25,720	(18,05,227)	(4,84,831)	36672,35,662
Received During the Year	-	-	-	-
Profit \ (Loss) for the year	-	(10392,91,423)	(2,61,526)	(10395,52,949)
<b>Balance at the end of March 31, 2018</b>	<b>36695,25,720</b>	<b>(10410,96,650)</b>	<b>(7,46,357)</b>	<b>26276,82,713</b>

\*Loan received from Holding Company along with interest accrued thereon is accounted as equity contribution as it is perpetual in the nature and settlement of the same is neither planned nor likely in the foreseeable future. In the event of liquidation of the company, settlement of the same will be based on the residual interest in the assets of an entity after deducting all of its liabilities.

For Shah & Shah Associates  
Chartered Accountants  
Firm Registration No. 113742W

Vasant C Tanna  
(Partner)  
Membership No. : 100422

Place: Ahmedabad  
Date: 14/09/2019



For and on behalf of the Board of Directors of  
Shirpur Power Pvt. Ltd.

Vidyut A Sheth  
(Director)  
Din: 00239371

Place: Ahmedabad  
Date: 14/09/2019

Ashoke Maitra  
(Director)  
Din: 07246375



Nikunj Shah  
CFO

7.C.S.K.H

**SHIRPUR POWER PVT LTD**  
**CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2019**

	2018-19 (` in Lakhs)	2017-18 (` in Lakhs)
<b>(A) CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit before tax	(50376,05,272)	(10402,65,002)
<b>ADJUSTMENTS FOR</b>		
- Depreciation	49896,48,147	1760,84,681
- Interest Income	(16,26,577)	(80,20,448)
- Gain on Redemption of Mutual Fund	-	(34,99,850)
- OCI Adjustment	(3,00,789)	[2,61,526]
- Interest and Financial Charges	4,081	7643,16,522
<b>Operating Profit before working capital changes</b>	<b>(498,80,410)</b>	<b>(1116,45,623)</b>
<b>ADJUSTMENTS FOR</b>		
- Other Non - Current, Other Current & Financial Assets	453,97,639	607,16,720
- Long Term & Short Term Provisions	(17,70,046)	7,32,024
- Other Current Liabilities	(533,06,728)	(4544,00,043)
<b>Cash generation from Operations</b>	<b>(595,59,544)</b>	<b>(5045,96,922)</b>
- Net Income Tax (Paid) / Refunds	(3,24,237)	5,39,700.00
<b>Net Cash from Operating Activities</b>	<b>(598,83,781)</b>	<b>(5040,57,222)</b>
<b>(B) CASH FLOW FROM INVESTING ACTIVITIES</b>		
- Purchase of fixed assets (Including Capital WIP)	119,69,583	(11025,32,354)
- Interest Income	16,26,577	80,20,448
- Gain on Redemption of Mutual Fund	-	34,99,850
<b>Net cash used in investing activities</b>	<b>135,96,160</b>	<b>(10910,12,056)</b>
<b>(C) CASH FLOW FROM FINANCING ACTIVITIES</b>		
- Quasi Equity received from Holding Co	-	6691,41,591
- Acceptance of Non Current Borrowings	441,23,775	16823,24,385
- Interest Paid	(4,081)	(7643,16,522.00)
<b>Net Cash used in Financing Activities</b>	<b>441,19,694</b>	<b>15871,49,454</b>
<b>(D) NET CHANGES IN CASH &amp; CASH EQUIVALENTS(A+B+C)</b>	<b>(21,67,927)</b>	<b>(79,19,324)</b>
<b>(E) Cash &amp; Cash Equivalents- Opening Balance</b>	<b>681,80,816</b>	<b>761,00,639</b>
<b>(F) Cash &amp; Cash Equivalents- Closing Balance</b>	<b>660,12,889</b>	<b>681,80,816</b>

**Components of Cash & Cash Equivalents:**

1 Cash & Cash Equivalents include the following:

	As at 31.03.2019	As at 31.03.2018
Cash in hand	78,178	2,00,034
Balances with Schedule Banks		
In Current Accounts	9,55,296	42,85,348
In Fixed Deposits	649,79,415	636,95,434
	<b>660,12,889</b>	<b>681,80,816</b>

As per our attached report of even date

For Shah & Shah Associates  
Chartered Accountants  
Firm Registration No. 113742W

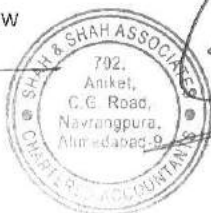
Vasant C Tanna  
(Partner)  
Membership No. : 100422

Place: Ahmedabad  
Date: 14/09/2019

For and on behalf of the Board of Directors of  
Shirpur Power Pvt. Ltd.

Vidyt A Sheth  
(Director)  
Din: 00239371

Place: Ahmedabad  
Date: 14/09/2019



*Ashoke Maitra*  
Ashoke Maitra  
(Director)  
Din: 07246375

*Nikunj Shah*  
Nikunj Shah  
CFO

## SHIRPUR POWER PRIVATE LIMITED

### Company Overview

#### CORPORATE INFORMATION

SHIRPUR POWER PRIVATE LIMITED ("the Company") having its registered office at 903, Skilp Building, Opp.Navrangpura Telephone Exchange, C.G.Road, Navrangpura, Ahmedabad Gujarat 380009 was incorporated on 22nd August,2005 vide Company Registration No. U40100GJ2005PTC094304 issued by the Registrar of Companies Ahmedabad, Gujarat.The company is engaged in business of generation of power and is in the process of setting up 2x150 MW thermal power plants at Nardana MIDC Area, Vaghode Village -Sindkheda , Dhule, Maharashtra-424004.

#### 1 SIGNIFICANT ACCOUNTING POLICIES

##### A) BASIS OF PREPARATION

- i) The financial statements have been prepared to comply in all material respects with the Indian Accounting Standard (Ind AS) notified under section 133 of the Companies Act, 2013 (the Act) read with Companies (Indian Accounting Standards) Rules, 2015 and other relevant provisions of the Act and rules framed there under.

The financial statements have been prepared under the historical cost convention and on accrual basis, except for certain financial assets and liabilities which have been measured at fair value.

The Financial Statements are presented in Indian Rupees (INR), which is also Company's Functional Currency.

##### ii) Current and Non-Current Classification

Assets and Liabilities are classified as current if it is expected to realize or settle within twelve months after the balance sheet date. Deferred Tax Asset & Liabilities are classified as Non-Current.

##### B) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

##### i) Property, Plant and Equipment

The Company has elected to continue with the carrying value for all of its property, plant and equipment as recognised in the standalone financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition and hence regarded thereafter as historical cost. All the items of property, plant and equipment are stated at historical cost net off Cenvat credit less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

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

Depreciation is recognized so as to write off the cost of assets (other than freehold land and properties under construction) less their residual values over their useful lives, using the straight-line method. The estimated useful life is taken in accordance with Schedule II to the Companies Act, 2013. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in profit or loss.

##### ii) Impairment of non - financial assets

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest Company of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs of disposal and value in use. 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 for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognized immediately in profit or loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.



### iii) Revenue

Transition to New Standard Ind AS 115, Revenue from contracts with customers was issued on 28 March 2018 and supersedes Ind AS 11, Construction Contracts and Ind AS 18, Revenue and it applies, with limited exception, to all revenue arising from contracts with its customers. Under Ind AS 115, revenue is recognised when a customer obtains control of goods or services. The Company has adopted Ind AS 115 using the cumulative effect method (without practical expedients) with the effect of initially applying this standard recognised at the date of initial application i.e. April 1, 2018. Accordingly, the comparative information i.e. information for the year ended 31 March 2018, has not been restated. Further, the Company did not have any material impact on adoption of new standard Ind AS 115 on the transition date April 1, 2018 and for the year ended March 31, 2019.

### iv) Taxes on Income

#### Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

#### Deferred tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. Such deferred tax assets and liabilities are not recognized if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognized if the temporary difference arises from the initial recognition of goodwill.

Deferred tax liabilities are recognized for taxable temporary differences associated with investments in subsidiaries and associates, and interests in joint ventures, except where the Company is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognized to the extent that it is probable that there will be sufficient taxable profits against which to utilize the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

#### Current and deferred tax for the year

Current and deferred tax are recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

### v) Foreign Currency Transactions

The functional currency for the Company is determined as the currency of the primary economic environment in which it operates. For the Company, the functional currency is the local currency of the country in which it operates, which is INR.

a) In preparing the financial statements the Company, transactions in currencies other than the entity's functional currency (foreign currencies) are recognized at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

b) The exchange differences arising on settlement / restatement of long-term foreign currency monetary items are taken into Statement of Profit and Loss.

### vi) Cash and cash equivalents

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition) and highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

### vii) Earnings Per Share





Basic earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date. The dilutive potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value (i.e. average market value of the outstanding shares). Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted for share splits / reverse share splits and bonus shares, as appropriate.

#### vii) Provisions, Contingent Liabilities and Contingent Assets

##### a) Provisions

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

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

##### b) Contingent liabilities and contingent assets

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation which is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. Information on contingent liabilities is disclosed in the notes to the financial statements, unless the possibility of an outflow of resources embodying economic benefits is remote.

A contingent asset is a possible asset that arises from past events and whose existence 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. Contingent assets are not recognized, but are disclosed in the financial statements.

#### ix) Financial Instrument

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

##### a) Financial assets

###### Initial recognition and measurement

Financial assets are recognized when the Company becomes a party to the contractual provisions of the instrument. The Company determines the classification of its financial assets at initial recognition. All financial assets are recognized initially at fair value plus transaction costs that are directly attributable to the acquisition of the financial asset except for financial assets classified as fair value through profit or loss.

###### Subsequent measurement

For the purposes of subsequent measurement, financial assets are classified in four categories:

- Debt instruments measured at amortized cost
- Debt instruments measured at fair value through other comprehensive income (FVTOCI)
- Debt instruments measured at fair value through profit or loss (FVTPL)
- Equity instruments measured at FVTOCI or FVTPL

###### Debt instruments

The subsequent measurement of debt instruments depends on their classification. The classification depends on the Company's business model of managing the financial assets and the contractual terms of the cash flows.

###### a) Debt instruments measured at amortized cost

Debt instruments that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. A gain or loss on a debt investment that is subsequently measured at amortized cost and is not part of a hedging relationship is recognized in the statement of profit and loss when the asset is derecognized or impaired. Income from these financial assets is included in interest income using the effective interest rate method.

###### b) Debt instruments measured at FVTOCI

Debt instruments that are held for collection of contractual cash flows and for selling the financial assets, where the assets cash flows represent solely payment of principal and interest, are measured at FVTOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses and interest income which are recognized in statement of profit and loss. When the financial asset is derecognized, the cumulative gain or loss previously recognized in the OCI is reclassified from equity to statement of profit and loss. Income from these financial assets is included in interest income using the effective interest rate method. Currently the Company doesn't have any financial assets classified under this category.



**c) Debt instruments measured at FVTPL**

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

In addition, the Company may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). The Company has not designated any debt instrument as at FVTPL. Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss.

**d) Equity instruments**

All equity investments in scope of Ind AS 109 are measured at fair value, Equity instruments which are held for trading are classified as FVTPL. The Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable. If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to profit or loss, even on sale of investment. However, the Company may Transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss. Currently the Company doesn't have any financial assets classified under these categories.

**Impairment of financial assets**

The Company assesses impairment based on expected credit losses (ECL) model to the following:

- i) Financial assets measured at amortized cost
- ii) Financial assets measured at fair value through other comprehensive income (FVTOCI)

Expected credit losses are measured through a loss allowance at an amount equal to the twelve months expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within twelve months after the reporting date) or full lifetime expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument).

**b) Financial liabilities**

**Initial recognition and measurement**

Financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. The Company determines the classification of its financial liability at initial recognition. All financial liabilities are recognised initially at fair value plus transaction costs that are directly attributable to the acquisition of the financial liability except for financial liabilities classified as fair value through profit or loss.

**Subsequent measurement**

For the purposes of subsequent measurement, financial liabilities are classified in two categories:

- a) Financial liabilities measured at amortized cost
- b) Financial liabilities measured at FVTPL (fair value through profit or loss)

**a) Financial liabilities measured at amortized cost**

After initial recognition, financial liabilities are subsequently measured at amortized cost using the EIR method. Gains and losses are recognised in the statement of profit and loss when the liabilities are derecognized as well as through the EIR amortization process. Amortized cost is calculated by taking into account any discount or premium on acquisition and fee or costs that are an integral part of the EIR. The EIR amortization is included in finance costs in the statement of profit and loss.

**b) Financial liabilities measured at fair value through profit or loss (FVTPL)**

Financial liabilities at FVTPL include financial liabilities held for trading and financial liabilities designated upon initial recognition as at FVTPL. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. Financial liabilities at fair value through profit or loss are carried in the statement of financial position at fair value with changes in fair value recognized in finance income or finance costs in the statement of profit and loss.

**DE recognition**

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the DE recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

**x) Fair value measurement**

The Company measures financial instruments, such as, investment in debt and equity instruments at fair value at each reporting date.

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

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

The principal or the most advantageous market must be accessible to the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.



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

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognized in the financial statements on a recurring basis, the company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

**xi) Cash flow statement**

Cash flows are reported using indirect method, whereby Profit before tax reported under statement of profit/ (loss) is adjusted for the effects of transactions of 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 available information.

**xii) Employees Benefits**

Payments to defined contribution retirement benefit plans are recognized as an expense when employees have rendered service entitling them to the contributions:

For defined benefit retirement benefit plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest), is reflected immediately in the balance sheet with a charge or credit recognized in other comprehensive income in the period in which they occur. Remeasurement recognized in other comprehensive income is reflected immediately in retained earnings and is not reclassified to profit or loss. Past service cost is recognized in profit or loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorized as follows:

- a. service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- b. net interest expense or income; and
- c. remeasurement

The Company presents the first two components of defined benefit costs in profit or loss in the line item 'Employee benefits expense'. Curtailment gains and losses are accounted for as past service costs.

The retirement benefit obligation recognized in the balance sheet represents the actual deficit or surplus in the Company's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

**Short-term and other long-term employee benefits**

A liability is recognized for benefits accruing to employees in respect of wages and salaries, annual leave and sick leave in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Liabilities recognized in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

Liabilities recognized in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Company in respect of services provided by employees up to the reporting date.

**xiii) Segment Reporting**

**Identification of segments:**

Segments are identified in line with Ind AS-108 "Operating Segment", taking into consideration the internal organization and management structure as well as the differential risk and returns of the segment.

Based on the Company's business model, Homeopathic Medicines have been considered as the only reportable business and geographical segment.

**Segment Policies:**

The Company prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the Company as a whole.

**xiv) Operating Cycle**

Based on the nature of activities of the Company and the normal time between acquisition of assets and their realization in cash or cash equivalents, the Company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

**xv) Current and non Current classification :**



- i. The assets and liabilities in the Balance Sheet are based on current/ non - current classification. An asset as current when it is:
- 1 Expected to be realized or intended to be sold or consumed in normal operating cycle
  - 2 Held primarily for the purpose of trading
  - 3 Expected to be realized within twelve months after the reporting period, or
  - 4 Cash or cash equivalents unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period
- All other assets are classified as non - current.

ii A liability is current when it is:

1. Expected to be settled in normal operating cycle
  2. Held primarily for the purpose of trading
  3. Due to be settled within twelve months after the reporting period, or
  4. There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period
- All other liabilities are treated as non - current.

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

#### xvii) Borrowing costs

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

#### xviii) Exceptional items

On certain occasions, the size, type or incidence of an item of income or expense, pertaining to the ordinary activities of the company is such that its disclosure improves an understanding of the performance of the Company. Such income or expense is classified as an exceptional item and accordingly disclosed in the notes to accounts.

#### 1 (C) Significant estimates, judgments and assumptions

The preparation of financial statements requires management to exercise judgment in applying the Company's accounting policies. It also requires the use of estimates and assumptions that affect the reported amounts of assets, liabilities, income and expenses and the accompanying disclosures including disclosure of contingent liabilities. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis, with revisions recognized in the period in which the estimates are revised and in any future periods affected.

##### a) Contingencies and commitments

In the normal course of business, contingent liabilities may arise from litigation and other claims against the Company. Potential liabilities that have a low probability of crystallizing or are very difficult to quantify reliably, are treated as contingent liabilities. Such liabilities are disclosed in the notes, if any, but are not provided for in the financial statements. There can be no assurance regarding the final outcome of these legal proceedings.

##### b) Impairment testing

i) Judgment is also required in evaluating the likelihood of collection of customer debt after revenue has been recognised. This evaluation requires estimates to be made, including the level of provision to be made for amounts with uncertain recovery profiles. Provisions are based on historical trends in the percentage of debts which are not recovered, or on more detailed reviews of individually significant balances.

ii) Determining whether the carrying amount of these assets has any indication of impairment also requires judgment. If an indication of impairment is identified, further judgment is required to assess whether the carrying amount can be supported by the net present value of future cash flows forecast to be derived from the asset. This forecast involves cashflow projections and selecting the appropriate discount rate.

##### c) Tax

a) The Company's tax charge is the sum of the total current and deferred tax charges. The calculation of the Company's total tax charge necessarily involves a degree of estimation and judgment in respect of certain items whose tax treatment cannot be finally determined until resolution has been reached with the relevant tax authority or, as appropriate, through a formal legal process.

b) Accruals for tax contingencies require management to make judgments and estimates in relation to tax audit issues and exposures.

c) The recognition of deferred tax assets is based upon whether it is more likely than not that sufficient and suitable taxable profits will be available in the future against which the reversal of temporary differences can be deducted. Where the temporary differences are related to losses, the availability of the losses to offset against forecast taxable profits is also considered. Recognition therefore involves judgment regarding the future financial performance of the particular legal entity or tax Company in which the deferred tax asset has been recognized.

##### d) Fair Value Measurement

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. In applying the valuation techniques, management makes maximum use of market inputs and uses estimates and assumptions that are, as far as possible, consistent with observable data that market participants would use in pricing the instrument. Where applicable data is not observable, management uses its best estimate about the assumptions that market participants would make. These estimates may vary from the actual prices that would be achieved in an arm's length transaction at the reporting date. For details of the key assumptions used and the impact of changes to these assumptions.



2) Property, Plant and Equipment

Particulars	Plant and Machinery	Furniture and fixtures	Vehicles	Office equipment	Computers, laptops and printers	Laboratory Equipment	Road	Leasehold Land (incl. Site Devp)	Electrical Fittings and Fixtures	Building	Total
Gross carrying value as of March 31, 2017	35,683,222	3,357,275	3,873,861	12,662,594	807,588	-	-	149,435,576	2,412,457	60,408,187	268,020,760
Ind As Transition Adjustment	-	-	-	-	-	-	-	-	-	-	-
Additions	11,765,472,461	21,632,147	-	136,736	-	47,695,774	119,139,580	420,000	538,298,052	281,273,016	12,794,067,766
Deletions	-	-	-	-	-	-	-	-	-	-	-
Gross carrying value as of March 31, 2018	11,801,155,683	24,969,422	3,873,861	12,799,330	807,588	47,695,774	119,139,580	149,855,576	560,710,509	341,681,203	13,062,688,576
Additions	-	-	-	-	-	-	-	-	-	-	-
Deletions	-	-	-	-	-	-	-	-	-	-	-
Gross carrying value as of March 31, 2019	11,801,155,683	24,969,422	3,873,861	12,799,330	807,588	47,695,774	119,139,580	149,855,576	560,710,509	341,681,203	13,062,688,576
Accumulated Depreciation as on March 31, 2017	955,407	400,236	604,264	3,602,804	315,682	-	-	1,724,027	296,907	1,519,728	9,419,055
Depreciation	121,174,018	1,251,078	604,263	3,604,448	228,531	1,874,509	15,609,472	-	22,241,469	7,519,641	174,107,429
Accumulated Depreciation as on March 31, 2018	122,129,425	1,651,314	1,208,527	7,207,252	544,213	1,874,509	15,609,472	1,724,027	22,538,376	9,039,369	183,526,484
Depreciation	290,975,437	2,455,960	604,264	3,315,649	154,788	4,531,099	37,727,554	1,913,705	53,332,858	9,616,351	404,627,645
Loss on Impairment of assets	2,404,648,745	-	-	-	-	-	-	-	-	-	2,404,648,745
Accumulated Depreciation as on March 31, 2019	2,817,753,607	4,107,274	1,812,791	10,522,901	699,001	6,405,608	53,337,006	3,637,732	75,871,234	18,655,710	2,992,802,874
Gross carrying value as of March 31, 2018	11,679,026,258	23,318,108	2,665,334	5,592,078	263,375	45,821,265	103,530,108	148,131,549	538,172,133	332,641,834	12,879,162,042
Gross carrying value as of March 31, 2019	8,983,402,076	20,862,148	2,061,070	2,276,429	108,587	41,290,166	65,802,574	146,217,844	484,839,275	323,025,483	10,069,885,652

3) Intangible Assets

Particulars	Software	Right to use Assets - Transmission line
Gross Carrying Value as of April 01, 2017	286,068	-
Additions	109,520,000	199,359,792
Deletions	-	-
Gross carrying value as of March 31, 2018	395,588	199,359,792
Additions	-	-
Deletions	-	-
Gross carrying value as of March 31, 2019	395,588	199,359,792
Accumulated Depreciation as of April 01, 2017	286,068	-
Depreciation	14,349	1,962,902
Accumulated Depreciation on deletions	-	-
Accumulated Depreciation as on March 31, 2018	300,417	1,962,902
Depreciation	36,507	4,981,995
Accumulated Depreciation on deletions	-	-
Accumulated Depreciation as on March 31, 2019	336,924	6,946,897
Gross carrying value as of March 31, 2018	95,171,000	197,396,890
Gross carrying value as of March 31, 2019	58,664	192,412,895

IGAAP Note for Intangible Assets (01-April-2016)

Particulars (01-April-2016)	Software	Right to use Assets - Transmission line
Gross Block	1,095,872	-
Accumulated Depreciation	809,804	-
Net Block	286,068	-





4) Other Financial Assets

Particulars	March 31, 2019		March 31, 2018	
	Current	Non-current	Total	Total
a) Unsecured, considered good				
(i) Security deposits	-	2,610,827	2,610,827	2,602,187
<b>Total</b>	<b>-</b>	<b>2,610,827</b>	<b>2,610,827</b>	<b>2,602,187</b>



5) Other Non current & Current Assets

Particulars	31st March, 2019		31st March, 2018		Total	Current	Non-current	Total
	Current	Non-current	Current	Non-current				
Balance with Govt. Agencies	-	-	4,373,533.00	-	-	4,373,533	-	4,373,533
Advances to supplier Capital Goods & Land	-	3,000,000	-	-	3,000,000	-	3,000,000	3,000,000
Advances recoverable in cash or in kind or for value to be received	363,585	-	363,585	(14,838.00)	-	(14,838)	-	(14,838)
Prepayment for Leasehold Land	-	-	-	2,358,288	-	2,358,288	-	2,358,288
<b>Total</b>	<b>363,585</b>	<b>3,000,000</b>	<b>3,363,585</b>	<b>6,716,983</b>	<b>3,000,000</b>	<b>9,716,983</b>	<b>3,000,000</b>	<b>9,716,983</b>

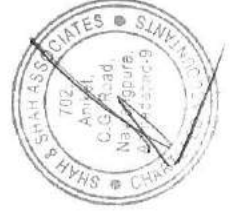


6) <u>Inventory</u>	Particulars	As at March 31, 2019	As at March 31, 2018
Stock in Trade		13,694,404	52,747,285
(As taken, valued and certified by management of the Company)			
<b>Total</b>		<b>13,694,404</b>	<b>52,747,285</b>

7) <u>Cash and cash equivalents</u>	Particulars	As at March 31, 2019	As at March 31, 2018
a) Balances with banks			
Balance with Scheduled Banks		955,296	4,285,348
b) Cash on hand		78,178	200,034
<b>Total</b>		<b>1,033,474</b>	<b>4,485,382</b>

8) <u>Other Bank balance</u>	Particulars	As at March 31, 2019	As at March 31, 2018
Fixed deposits with original maturity of more than 3 months but less than 12 months (including interest accrued thereon)		64,979,415	63,695,435
<b>Total</b>		<b>64,979,415</b>	<b>63,695,435</b>

Above fixed deposits with banks are held as margin money against Letter of Credit / Bank Guarantee.



Share Capital	Particulars	As at March 31, 2019	As at March 31, 2018
<b>9.1 EQUITY SHARE CAPITAL</b>			
<b>Authorised Share Capital:</b>			
	5,00,00,000 Equity Shares of Rs. 10 each	500,000,000	500,000,000
	<b>Issued, Subscribed and Paid up</b>	<u>500,000,000</u>	<u>500,000,000</u>
	<b>Equity Share Capital</b>	410,425,080	410,425,080
	<b>Total</b>	<u><u>410,425,080</u></u>	<u><u>410,425,080</u></u>

**Right, preferences and restrictions attached to the shares.**

**Equity Share**

The company has one class of equity share having par value of Rs. 10 each. Shareholder is eligible for one vote per share held. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the company after distribution of all preferential amounts, in proportion to shareholding.

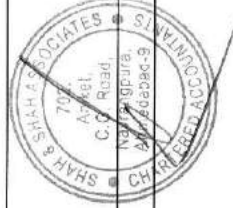
**9.2 The details of shareholders holding more than 5 % shares**

**Equity Share Capital**

Name of the Shareholder	As at March 31, 2019	As at March 31, 2018
	No. of Shares	% held
Zep Infratech Ltd. (Sixvents Power & Engineering Limited (formerly Known as Sintex Power Ltd.) now merged with Zep Infratech Ltd. )	41,042,508	100.00%
	41,042,508	100.00%

**9.3 The reconciliation of the number of shares outstanding is set out below:**

Particulars	As at March 31, 2019	As at March 31, 2018
	No. of Shares	No. of Shares
Equity Shares at the beginning of the year	41,042,508	41,042,508
Add : Shares issued during the year	-	-
Less : Shares bought back during the year	-	-
<b>Equity Shares outstanding at the end of year</b>	<u>41,042,508</u>	<u>41,042,508</u>



10) Other Equity as on 31.03.2019

Particulars	Profit / Loss	Equity Component of Unsecured Loan	Security Premium	Total
Balance at the beginning of the reporting period 1st April, 2018	(10418,43,007)	37611,30,937	36695,25,720	63888,13,650
Share Application Money Received	-	-	-	-
Profit/(Loss) for the year	(50379,06,061)	-	-	(50379,06,061)
Balance at the beginning of the reporting period 31st March, 2019	(60797,49,068)	37611,30,937	36695,25,720	13509,07,589

Other Equity as on 31.03.2018

Particulars	Profit / Loss	Equity Component of Unsecured Loan	Security Premium	Total
Balance at the beginning of the reporting period 1st April, 2017	(22,90,058)	30919,89,346	36695,25,720	67592,25,008
Share Application Money Received	-	-	-	-
Quasi Equity from Holding Company*	-	6691,41,591	-	6691,41,591
Profit/(Loss) for the year	(10395,52,949)	-	-	(10395,52,949)
Balance at the beginning of the reporting period 31st March, 2018	(10418,43,007)	37611,30,937	36695,25,720	63888,13,650

\*Interest free loan received from Holding Company is accounted as equity contribution as it is perpetual in nature and settlement of the same is neither planned nor likely in the foreseeable future. In the event of liquidation of the company, settlement of the same will be based on the residual interest in the assets of an entity after deducting all of its liabilities.





## 11) Borrowings

Particulars	As at March 31, 2019		As at March 31, 2018	
	Current	Non current	Total	Total
Secured borrowings				
a) Term Loan				
i) From banks	-	16,119,738,333	16,119,738,333	15,060,306,492
Unsecured borrowings				
Inter-Corporate Deposits	-	10,010,000	10,010,000	-
<b>Total</b>	<b>-</b>	<b>16,129,748,333</b>	<b>16,129,748,333</b>	<b>15,060,306,492</b>

i) Term Loan Facilities from Banks secured by First charge on all the immovable and Movable assets of the company both Present and Future.

ii) Terms of Repayment:

Term Loan 1 of Rs. 1322 Crores -Originally repayable in forty two equal quarterly installment commencing from 30.06.2018 till 30.09.2028 & carrying interest rate in the range of 11% p.a. to 12.50% p.a.

Term Loan 2 of Rs. 192 Crores -Originally repayable in fifty structural quarterly installment commencing from 30.06.2018 till 30.09.2030 & carrying interest rate in the range of 11.3% p.a. to 12.60% p.a.

The Company has defaulted in repayment of principal & interest on term loans as per the covenant during the year and the defaults are still continued.

The aggregate amount of borrowings shown hereinabove is net of amount of unamortized processing fees as per the requirement of IND AS Rs.18,69,84,641/- (Previous year Rs.18,69,84,641/-)

## 12) Other financial liabilities

Particulars	As at March 31, 2019		As at March 31, 2018	
	Current	Non current	Total	Total
Current maturity of long term loan	-	-	-	1,025,318,066
Payable for Capital Goods	499,533,863	-	499,533,863	547,357,012
Payable to Employees	9,509,862	-	9,509,862	14,993,441
<b>Total</b>	<b>509,043,725</b>	<b>-</b>	<b>509,043,725</b>	<b>1,587,668,519</b>

## 13) Provisions

Particulars	As at March 31, 2019		As at March 31, 2018	
	Current	Non current	Total	Total
Provisions for Gratuity	3,035,415	120,968	3,156,383	3,194,699
Provisions for Leave Encashment	3,876,972	97,451	3,974,423	3,883,828
<b>Total</b>	<b>6,912,387</b>	<b>218,419</b>	<b>7,130,806</b>	<b>7,078,527</b>

## 14) Other liabilities

Particulars	As at March 31, 2019		As at March 31, 2018	
	Current	Non current	Total	Total
Statutory Dues	171,709	-	171,709	1,608,691
<b>Total</b>	<b>171,709</b>	<b>-</b>	<b>171,709</b>	<b>1,608,691</b>



## 15) Revenue from Operations

Particulars	2018-19	2017-18
Sale of Scrap / Non-essential Hazardous Items	34,534,376	14,170,483
<b>TOTAL</b>	<b>34,534,376</b>	<b>14,170,483</b>

## 16) Other Income

Particulars	2018-19	2017-18
Interest income	1,626,577	8,020,448
Gain on Redemption of Mutual Fund	-	3,499,850
Provision no longer required Written Back	-	753,081
<b>TOTAL</b>	<b>1,626,577</b>	<b>12,273,379</b>

## 17) Cost of Material

Particulars	2018-19	2017-18
Purchase of Material	52,747,285	69,874,485
Less: Closing stocks as at the end of the year	13,694,404	52,747,285
<b>TOTAL</b>	<b>39,052,880</b>	<b>17,127,200</b>



## 18) Employee Benefits Expense

Particulars	2018-19	2017-18
Salaries and Wages	6,359,124	33,121,169
Contributions to Provident and other Funds	234,633	1,126,535
Staff welfare Expenses	321,102	2,103,120
Gratuity	-	714,111
<b>TOTAL</b>	<b>6,914,859</b>	<b>37,064,935</b>

18.1 The disclosure of Employee benefits as defined in the Indian Accounting Standard-19 "Employee Benefits" are as given below:

## I. Defined Benefit Plans - Gratuity (Non Funded)

The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets gratuity on retirement at 15 days of last drawn salary for each completed year of service. The aforesaid liability is provided for on the basis of an actuarial valuation made at the end of the financial year.

## (a) The amounts recognised in the Statement of Profit and Loss are as follows:

Particulars	2018-19	2017-18
Current Service Cost	114,113	507,723
Interest Cost	242,858	184,330
Expected return on plan assets	-	-
Net actuarial (gain) / loss recognised during the year	-	22,058
<b>Amount included under the head Gratuity Expenses in Note 17 "Employee Benefit Expenses"</b>	<b>356,971</b>	<b>714,111</b>

## (b) The amounts recognised in the Balance Sheet are as follows:

Particulars	2018-19	2017-18
Present value of non-funded obligation	3,156,383	3,194,699
Less: Fair value of plan assets	-	-
<b>Net Liability included under the head Provision for Gratuity in Notes 8 "Provisions"</b>	<b>3,156,383</b>	<b>3,194,699</b>

## (c) Changes in the present value of the defined benefit obligation representing reconciliation of opening and closing balance thereof are as follows:

Particulars	As at 31st March, 2019	As at 31st March, 2018
Opening defined benefit obligation	3,194,699	2,742,114
Interest cost	242,858	184,330
Current service cost	114,113	529,781
Benefits paid	-	-
Actuarial (gains) / loss on obligation	(395,287)	(261,526)
<b>Closing defined benefit obligation</b>	<b>3,156,383</b>	<b>3,194,699</b>

## (d) The amounts recognised in Other Comprehensive Income are as follows:

Particulars	As at 31st March, 2019	As at 31st March, 2018
Actuarial (Gains)/Losses on obligation for the period	(395,287)	(261,526)
Return on Plan Assets, Excluding Interest Income	-	-
Change in Asset Ceiling	-	-
<b>Net (Income)/Expense for the period recognised in OCI</b>	<b>(395,287)</b>	<b>(261,526)</b>

[ ₹ in Lakhs]

## (e) The principal actuarial assumptions at the Balance Sheet date are as follows:

Particulars	2018-19	2017-18
Discount rate	7.75%	7.65%
Expected rate of salary increase	6.00%	6.00%
Mortality table	0.09% to 1.15%	0.09% to 1.15%
Proportion of employees opting for early retirement	-	-

## (f) Maturity Profile of defined benefit obligation:

Particulars	Amount
within 1 year	35,923
1-2 years	4,270
2-3 years	4,389
3-4 years	6,132
4-5 years	6,548
5-10 years	33,447

## (g) A quantitative sensitivity analysis for significant assumption as at 31 March 2018

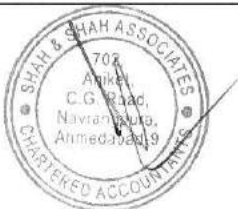
Particulars	Change in Assumptions	Impact on Defined Benefit Obligation
	Increase/(Decrease)	Increase/(Decrease)
Discount Rate	0.5%	3,146,959
	-0.5%	3,166,877
Salary Growth Rate	0.5%	3,167,008
	-0.5%	3,146,768
Employee Turnover	0.5%	3,157,025
	-0.5%	3,155,688

## II. Defined Contribution Plan: (Provident Fund)

The Provident Fund is operated by the Regional Provident Fund Commissioner and is recognized by the Income Tax authorities. The Company has recognized Rs. 2,34,633/- (Previous year Rs. 11,26,535/-) in the Profit and Loss for the year.



19) Finance Costs		
Particulars	2018-19	2017-18
<b>Interest Expenses</b>		
On Borrowings	-	749,510,469
Unwinding of discount and implicit interest expense on fair value	-	5,413,958
Other borrowing Costs	4,081	9,392,094
<b>TOTAL</b>	<b>4,081</b>	<b>764,316,521</b>
20) Depreciation,Amortization & impairment loss		
Particulars	2018-19	2017-18
Depreciation (Refer Note 3)	402,713,940	174,107,430
Amortization Expenses (Refer Note 3)	6,934,207	1,977,251
Loss on Impairment of Property, Plant & equipment (incl. loss on impairment in carrying value of Capital Work in Progress of Rs.217,53,51,255/-)	4,580,000,000	-
<b>TOTAL</b>	<b>4,989,648,147</b>	<b>176,084,681</b>
21) Other Expenses		
Particulars	2018-19	2017-18
Rates and Taxes	156,871	443,093
Amortisation of Leasehold Land	2,358,288	643,576
Consumable Stores & Spares	1,652	1,128,201
Raw Water Expenses	202,376	408,453
Electricity Charges	11,806,289	21,878,948
Labour Charges	1,818,092	8,896,211
Site Expenses	10,380,456	5,065,167
Repairs & Maintenance	279,350	463,740
Postage & Courier Expense	16,358	9,843
Boarding and Lodging Expenses	771,728	328,991
Legal & Professional Charges	3,896,274	9,346,590
Payment to Auditors (Refer Note 21.1)	354,000	146,131
Plantation Expenses	-	23,568
CSR Expenses	2,819	20,464,897
Advertisement Exps	-	1,228,743
Insurance Expenses	5,289,747	-
Miscellaneous Expense	1,112,747	1,900,900
<b>TOTAL</b>	<b>38,447,047</b>	<b>72,377,052</b>
<b>21.1 Payment to Auditors</b>		
For Statutory Audit fee	118,000	115,000
For Other Services	236,000	31,131
<b>TOTAL</b>	<b>354,000</b>	<b>146,131</b>



22) Disclosure pursuant to Ind AS 33 "Earnings per share"

Basic and Diluted Earnings per share (EPS) computed in accordance with Ind AS 33 "Earnings per share".

Particulars		2018-19	2017-18
<b>Basic earnings per equity share:</b>			
Profit for the year attributable to owners of the Company for calculating	A	(5,037,605,272)	(1,039,291,423)
Weighted average number of equity shares outstanding for calculating	B	41,042,508	41,042,508
<b>Basic earnings per equity share (₹)</b>	<b>A / B</b>	<b>(122.74)</b>	<b>(25.32)</b>
<b>Diluted earnings per equity share:</b>			
Profit for the year attributable to owners of the Company for calculating	A	(5,037,605,272)	(1,039,291,423)
Add : Interest on convertibles (net of tax)	B	-	-
Profit for the year attributable to owners of the Company for the	C = A+B	(5,037,605,272)	(1,039,291,423)
Weighted average number of equity shares outstanding for calculating	D	41,042,508	41,042,508
Add : Shares deemed to be issued for no consideration in respect of :	E	-	-
Compulsorily convertible preference share capital	F	-	-
Compulsorily convertible debentures	G	-	-
Weighted average number of equity shares outstanding for calculating	H = D + E	<b>41,042,508</b>	<b>41,042,508</b>
<b>Diluted earnings per equity share (₹)</b>		<b>(122.74)</b>	<b>(25.32)</b>
Face value per equity share (₹)		10.00	10.00

Basic and Diluted EPS amounts are calculated by dividing the profit for the year attributable to equity holders of the company by the weighted average number of Equity shares outstanding during the year. Diluted EPS are calculated by dividing the profit for the year attributable to the equity holders of the company by 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 the dilutive potential Equity shares into Equity shares.



**23) Related Party Disclosure as per Ind AS 24**

(i) In accordance with the requirements of Ind AS 24 on Related Party Disclosures, the names of the related parties where control exists and with whom transactions have taken place during the year and description of relationships as identified and certified by the management are given below:

Sr. No.	Nature of relationship	Name of Related Parties
1	Key Management Personnel	Mr. Manven Dubey, Manager Mr. Nikunj Shah, Chief Financial Officer Mr. Nilay Modi, Company Secretary
2	Holding Company	M/s. Zep Infratech Ltd.

ii) Transactions carried out with related parties referred to in (i) above is as under:

Description of the nature of the transactions	Zep Infratech Ltd.	
	2018-19	2017-18
Unsecured Loan obtained (Net)	-	669,141,591
<b>Unsecured Loan outstanding at end of year</b>	<b>3,761,130,937</b>	<b>3,761,130,937</b>





**24.1]**

- (a) The Company was set up for generation of power for which two thermal power plants each having capacity of 150 MW power was planned, out of which one thermal power plant was installed and commissioned on 31st October, 2017 and second plant is almost ready for installation. However, on account of certain technical issues, the generation of power could not commence. The technical issues have still not been resolved. Considering the technical problems in the plants as well as the developments in the thermal power sector including regulatory guidelines and Government's incentives and thrust on renewable energy sources which does not encourage thermal power generation, the commercial viability of the project has been adversely impacted. The management is evaluating various options including divestment of the plants on "as is where is basis" with all the related liabilities. There is uncertainty about commencement of operations or divestment of the plant including price which it would fetch.
- (b) To finance the cost of the project, the Company has availed term loans from consortium of lenders, the aggregate outstanding balance of which as at 31st March, 2019 is Rs. 1,611.97 Crores including interest accrued and due provided up to 31st March, 2018. On account of default in payment of interest, all these term loan accounts have been classified as non-performing assets (NPAs) by all the lenders. No confirmations for balance outstanding as at 31st March, 2019 have been given by the lenders. With regard to principal amount of loan, in absence of commercial operations, as per the management's contention repayment of principal amount has not become due which is under negotiation with the lenders. No provision for interest on entire amount of borrowings has been made in the books of accounts of the Company which aggregates to about Rs. 185.00 crores computed as per the terms of loan agreements pursuant to which such loans were granted, in absence of any intimation/advice from any lender in this regard and the process of settlement of dues initiated by the company being under progress as stated in para (e) below. Further, amortization of processing fees using effective interest rate has also not been made during the year. In view of the aforesaid, the amount of default in payment of interest has not been ascertained.
- (c) On account of various issues in thermal power sector in India and various other circumstances beyond the control of the management, the company has defaulted in payment of interest and repayment of principal amount. Lenders have initiated the legal proceedings against the Company for recovery of debt in Debt Recovery Tribunal the proceedings of which are under progress. Moreover, the lenders have initiated Corporate Insolvency Resolution Process under Insolvency & Bankruptcy Code with National Company Law Tribunal at Ahmedabad and the same is pending for admission.
- (d) The company has large amount of current liabilities of Rs. 51.61 crores against current assets of Rs. 8.22 Crores only as at 31st March, 2019. Further, in view of the fact that entire amount of borrowings from consortium of lenders is classified as NPAs, the same have also become due for immediate payment. In the opinion of the management, in view of various factors described here in above, there are no chances of raising further funds or infusion of capital in the Company.
- (e) The accumulated loss of the company as at 31st March, 2019 has aggregated to Rs. 607.97 Crores and as mentioned above, the commercial viability of the project is doubtful. Further, for the factors described above, the management believes that the company will not be able to repay the debts outstanding of Rs. 1611.97 Crores as at 31st March, 2019. Therefore, the company has approached its lenders for onetime settlement of its entire dues in accordance with the guidelines issued by Reserve Bank of India and the same is under consideration of the lenders. Pending any final outcome of this settlement proposal, which is under negotiation, no accounting entry has been passed in this respect.
- (f) In view of aforesaid and in the opinion of the management of the Company, there are very remote chances of revival/commencement of operations by the Company. Therefore the going concern assumption for preparation of financial statements could not be met with by the company. However, pending the outcome of present proceedings against the company and settlement scheme as mentioned in para (e) above, these financial statements have been prepared following going concern assumption. The effects on these financial statements due to non-compliance of going concern assumption have not been ascertained.

**24.2)**

The management of the company, based on impairment indicators including what is stated herein above, has determined that there is impairment in the value of Thermal Power Plants (both, installed as well as under implementation) as the carrying value of such plants as per books of accounts of the company as at 31st March, 2019 of Rs. 2289.96 crores is higher than the net recoverable amount. There is absence of any reliable sources or information and data including active market data for measurement of the fair market value of these plants. Therefore, for the limited purpose of determination of recoverable amount, the management has, based on certain assumptions, which mainly include availability of coal linkage, utilization of plant's capacity, power tariff based on Power Purchase Agreement and other technical parameters etc., computed the future discounted cash-flows from the projects applying Future Discounted Cash Flow Method which comes to Rs. 1,831.96 crores. Resulting impairment loss of Rs. 458.00 Crores (comprising of Rs. 240.46 crores in respect of the plant which is installed and Rs. 217.54 crores in respect of the plant which is under implementation, as estimated by the management) has been provided in the books of accounts of the company for the year ended on 31st March, 2019. The assumptions as well as the technical parameters on the basis of which the future cash-flows have been computed by the management involve substantial judgments and estimates upon which the Auditors have put reliance.

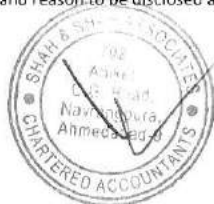
**25) Disclosure of segment information pursuant to Ind AS 108 "Operating Segments"**

The Company is engaged in business of power generation which is a single business segment. Hence reporting of operating segments does not arise. The Company does not have operations outside India. Hence, disclosure of geographical segment information does not arise.

**26) Disclosures pursuant to Ind AS 1 - "Presentation of Financial Statements"**

For the purpose of the company's capital management, capital includes issued equity capital, convertible preference shares, 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 maximise shareholder value.

(Ind AS 1 requires the company to make quantitative and qualitative disclosures regarding objectives policies and processes for managing capital. Also, if comparative amounts are reclassified, nature amount and reason to be disclosed and not just the fact of reclassification.)



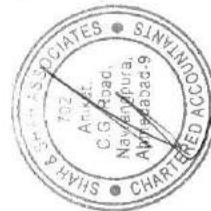


29) Fair Value Measurement

All Financial assets and liabilities are measured at amortised cost hence disclosure of fair value measurement in Level 1, Level 2 & Level 3 categories are not required.

30) Asset pledged as security

Particulars	Note no	31.03.2019	31.03.2018
<b>Non Financial Asset</b>			
Property, Plant & Equipment (including CWIP)	2	181270,84,377	231236,81,601
Other non-current assets	5	30,00,000	30,00,000
Other current assets	5	3,63,584	67,16,983
<b>Financial Asset</b>			
Loans	4	26,10,827	26,02,187
Cash and Bank Balances	6	10,33,473	44,85,382
Other Bank Balances	7	649,79,415	636,95,434
<b>Total</b>		<b>181990,71,676</b>	<b>232041,81,587</b>



### 31) Financial Risk Management

The company's activities expose it to variety of financial risks : market risk, credit risk and liquidity risk. The company's focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance. The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Board of Directors has established a risk management policy to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management systems are reviewed periodically to reflect changes in market conditions and the Company's activities. The Board of Directors oversee compliance with the Company's risk management policies and procedures, and reviews the risk management framework.

#### i Market risk

The market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk.

#### ii Foreign Currency Risk

Foreign currency risk is the risk that fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rate.

The company is not exposed to foreign currency risk as it has no borrowing in foreign currency.

#### iii Interest rate risk

Interest rate risk is the risk that fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The interest risk arises to the company mainly from long term borrowings with variable rates. The company measures risk through sensitivity analysis.

Currently, lending by Commercial Banks is at variable rate only, which is the inherent business risk.

The company's exposure to interest rate risk due to variable interest rate borrowings is as follows:

Particulars	31.03.2019	31.03.2018
Term Loan from Banks	161197,38,333	150603,06,492

Sensitivity analysis based on average outstanding of Cash Credit Facility

Interest Rate Risk Analysis	Impact on profit/ loss after tax	
	FY 2018-19	FY 2017-18
Increase or decrease in interest rate by 25 basis point	389,75,056	368,29,508

Note: Profit will increase in case of decrease in interest rate and vice versa

#### iv Foreign exchange risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. However as of now the Company's exposure to the risk of changes in foreign currency rates is Nil as there are no transactions entered by the company in foreign currency.

#### v Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial assets.

The company is exposed to liquidity risk due to bank borrowings and trade and other payables.

The company measures risk by forecasting cash flows.

The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due without incurring unacceptable losses or risking damage to the Company's reputation. The Company ensures that it has sufficient fund to meet expected operational expenses, servicing of financial obligations.

The following are the contractual maturities of financial liabilities

As at March 31, 2019	Carrying Amount	upto 1 year	1 - 2 years	2 - 5 years	> 5 years
<b>Non Derivative Financial Liability</b>					
Term Loans from Banks	161197,38,333	10253,18,066	13670,90,754	41726,41,275	95546,88,238
Inter Corporate Deposits	100,10,000	-	100,10,000	-	-
Payable for Capital Goods	4995,33,863	4995,33,863	-	-	-
Payable to Employees	95,09,862	95,09,862	-	-	-
<b>Total</b>	<b>166387,92,058</b>	<b>15343,61,791</b>	<b>13771,00,753.90</b>	<b>41726,41,275.00</b>	<b>95546,88,238</b>

Derivative Financial Liability NIL NIL NIL NIL NIL

As at March 31, 2018	Carrying Amount	upto 1 year	1 - 2 years	2 - 5 years	> 5 years
<b>Non Derivative Financial Liability</b>					
Term Loans from Banks	-	10253,18,066	13670,90,754	41726,41,275	(65650,50,095)
Payable for Capital Goods	-	-	-	-	-
Payable to Employees	30,35,415	30,35,415	-	-	-
<b>Total</b>	<b>30,35,415</b>	<b>10283,53,481</b>	<b>13670,90,754</b>	<b>41726,41,275</b>	<b>(65650,50,095)</b>

Derivative Financial Liability NIL NIL NIL NIL NIL

#### v Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.



32) Capital Management

The Company considers the following components of its Balance Sheet to be managed capital:

1. Total equity – Share Capital, Retained Profit/ (Loss) and Other Equity.
2. Working capital.

The Company manages its capital so as to safeguard its ability to continue as a going concern. The capital structure of the Company is based on management's judgement of the appropriate balance of key elements in order to meet its strategic and day-to-day needs. The Company considers the amount of capital in proportion to risk and manage the capital structure in light of changes in economic conditions and the risk characteristics of the underlying assets.

The Company's policy is to maintain a stable and strong capital structure with a focus on total equity so as to maintain investor, creditor, and market confidence and to sustain future development and growth of its business. The Company's focus is on keeping strong total equity base to ensure independence, security, as well as a high financial flexibility for potential future borrowings, if required, without impacting the risk profile of the Company. The Company will take appropriate steps in order to maintain, or if necessary adjust, its capital structure. The Company is not subject to financial covenants in any of its significant financing agreements.

The management monitors the requirement of capital to meet the operational cost of the company from time to time and infuse the capital through sub-ordinate debt, which is classified as other equity.

Summary of quantitative data of the capital of the company	As at March 31, 2019	As at March 31, 2018
Equity - Issued and paid up capital	41,04,25,080	41,04,25,080
Other Equity	1,35,09,07,589	6,38,88,13,650
<b>Total</b>	<b>1,76,13,32,669</b>	<b>6,79,92,38,730</b>

33) Leasing Arrangements: The Company being a lessee

Operating Lease arrangements

The company has entered into operating lease arrangements for land. The leases are cancellable and are for a period of 5 to 30 years and may be renewed for further period, based on mutual agreement of the parties.

Payment recognised as an expense in note no 21

Particulars	FY 2018-19	FY 2017-18
Minimum Lease Payments	23,58,288	6,43,576.00

34) Other Notes

34.1 Capital Commitments outstanding as on March 31, 2019 is Rs. Nil (PY Rs. Nil).

34.2 Contingent Liabilities not provided for (excluding interest, penalty etc.):

Contracts remaining to be executed on capital account and not provided for Rs. 70 Crore (Previous year Rs. 70 crores)

34.3 The Company had executed a contract with a party based in Singapore for supply of coal on long term basis. However, on account of non commencement of operations the Company could not honor the terms of the agreement pursuant to which the vendor filed legal suit against the Company in the High Court of Republic of Singapore. The Singapore High Court has awarded damages aggregating to Rs.26.14 Crores (equivalent to \$ 65602.78 and U\$3708458.91). The management of the Company has decided to take appropriate legal actions as advised by the Counsel. The management of the Company is hopeful that the damages awarded shall be cancelled and therefore no provision made in this regard in the books of accounts of the Company.

34.4 The non current financial assets, current financial assets and other current assets are good and recoverable and are approximately of the values, if realized in the ordinary course of business unless and to the extent stated otherwise in the accounts. Provision for all known liabilities is adequate and not in excess of amount reasonably necessary. There are no contingent liabilities except those stated above.

34.5 Balancesheet, Statement of Profit & Loss, Cash Flow Statement and Statement of Changes in Equity read together with Notes to Accounts thereon, are drawn up so as to disclose the information required under the Companies Act 2013 as well as give a true and fair view of the statement of affairs of the company as at the end of the year and financial performance of the Company for the year under review.

34.6 Capital Work-in-Progress includes amount of interest during construction period aggregating to Rs.337,74,00,000/- to be capitalized and allocated to the cost of respective assets in accordance with the requirement of IND-AS 23 Borrowing Costs.

34.7 There has been deferred tax assets considering the unabsorbed depreciation. However, in absence of virtual certainty and convincing evidences of its being reversed in the near future, the same has not been recognised in the books of accounts of the Company.

34.8 The figures for the previous year have been regrouped / reclassified, wherever necessary, to make them comparable with the figures for the current year.

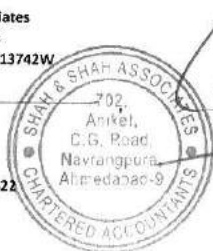
34.9 These financial statements were authorized for issue by the Board of Directors on 14th September, 2019

The Notes referred to above form an integral part of this statement  
As per our attached report of even date

For Shah & Shah Associates  
Chartered Accountants  
Firm Registration No. 113742W

Vasant C Tanna  
(Partner)  
Membership No. : 100422

Place: Ahmedabad  
Date: 14/09/2019



For and on behalf of the Board of Directors of  
Shirpur Power Pvt. Ltd.

Vidyut A Sheth  
(Director)  
Din: 00239371

Place: Ahmedabad  
Date: 14/09/2019



Ashtoke Maitra  
(Director)  
Din: 07246375

Nikunj Shah  
CFO