



## **INDEPENDENT AUDITOR'S REPORT**

### **TO THE MEMBERS OF GANESHA ECOPET PRIVATE LIMITED**

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

#### **Opinion**

We have audited the accompanying financial statements of Ganesha Ecopet Private Limited ("the Company"), which comprise the Balance sheet as at 31<sup>st</sup> March 2023, and the Statement of Profit and Loss (including other comprehensive income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, including Indian Accounting Standards ('Ind AS') specified under section 133 of the Act, of the state of affairs (financial position) of the Company as at 31<sup>st</sup> March 2023, and its Loss, total comprehensive loss, and its cash flows and changes in equity for the year ended on that date.

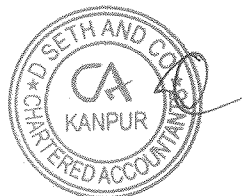
#### **Basis for Opinion**

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI') together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Information other than the Financial Statements and Auditor's Report thereon**

The Company's Board of Directors is responsible for the preparation of 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.

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

### **Responsibilities of Management and Those Charged with Governance for the Financial Statements**

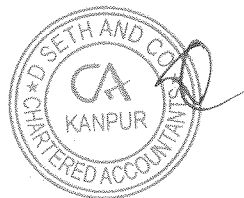
The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the state of affairs (financial position), profit or loss (financial performance including other comprehensive income), cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Ind AS 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



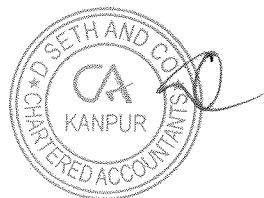
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auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise 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 Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the 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.
- 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.



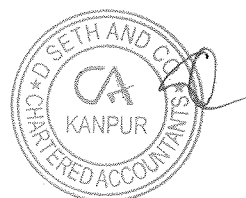
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We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear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

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

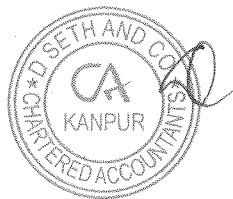
1. As required by the Companies (Auditor's Report) Order, 2020 ('the Order'), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013 we give in the Annexure-A, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. Further to our comments in Annexure-A, as required by Section 143(3) of the Act, we report that:
  - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - c. The balance sheet, the statement of profit and loss (including other comprehensive income), the cash flow statement and the statement of changes in equity dealt with by this Report are in agreement with the books of account;
  - d. In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act;
  - e. On the basis of written representations received from the directors as on 31<sup>st</sup> March, 2023, taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2023, from being appointed as a director in terms of Section 164(2) of the Act;
  - f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure-B";
  - g. With respect to the other matters to be included in Auditor's Report in accordance with the requirements of Section 197(16) of the Act:

In our opinion and to the best of our information and according to the explanations given to us, we report that during the year remuneration has not been paid by the Company to its directors;



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- h. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to explanations given to us:
- i. The Company does not have any pending litigations which would impact its financial position.
  - ii. In our opinion and as per the information and explanations provided to us, the Company has not entered into any long-term contracts including derivative contracts, requiring provision under applicable laws or Ind AS, for material foreseeable losses.
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended 31st March 2023.
  - iv.
    - (a) The management has represented that, to the best of it's knowledge and belief, as disclosed in the notes to the accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
    - (b) The management has represented that, to the best of it's knowledge and belief, as disclosed in the notes to the accounts, no funds have been received by the company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

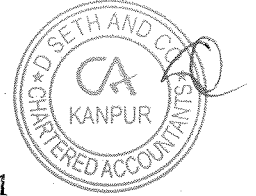


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- (c) Based on the audit procedures that has been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) as provided under (a) & (b) above contain any material mis-statement.
- v. The company has not declared or paid any dividend during the year and has not proposed final dividend for the year.
- vi. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company with effect from April 1, 2023, and accordingly, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.

FOR D SETHI AND CO,  
Chartered Accountants,  
(Firm Registration No. 028869C)

  
(Deepak Sethi)  
Proprietor  
Membership No. 073081



Place: Kanpur

Dated: 24 MAY 2023

UDIN: 23073081BGWXVV5/02

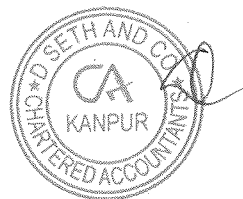
## **Annexure-A to Independent Auditors' Report**

Referred to in Paragraph 1 under the heading of "Report on Other Legal and Regulatory Requirements" of our report of even date to the members of Ganesha Ecopet Private Limited on the financial statements as of and for the year ended 31<sup>st</sup> March 2023.

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In terms of the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that

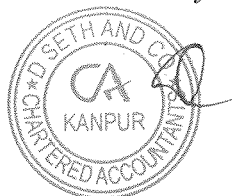
- (i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment on the basis of available information.
- (B) The Company has maintained proper records showing full particulars of intangible assets.
- (b) As explained to us, the Property, Plant and Equipment have been physically verified by the management during the year under regular program of verification, which in our opinion, is reasonable having regard to the size of the Company & nature of its assets. As informed, no material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us and the records examined by us, and based on the examination of Registered Agreement for sale of Land provided to us, we report that the title deed of the immovable property of Land disclosed in the financial statements included in Property, Plant & Equipment, is held in the name of the Company as at the balance sheet date.
- (d) According to the information and explanations given to us, the Company has not revalued any of its Property, Plant and Equipment and intangible assets during the year.
- (e) To the best of our knowledge and according to the information and explanations given to us, no proceedings have been initiated during the year or are pending against the Company as at March 31, 2023 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.
- (ii) (a) As explained to us, the physical verification of inventory, except goods in transit, has been conducted at reasonable intervals by the management during the year and, in our opinion, the coverage and procedure of such verification by management is appropriate having regard to the size of the Company & nature of its operations. No discrepancies of 10% or more in the aggregate for each class of inventories were noticed on such physical verifications of inventories.



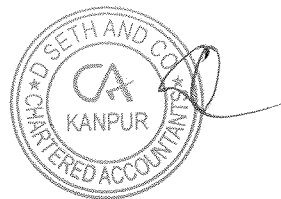
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- (b) The Company has been sanctioned working capital limits in excess of Rs. 5 crores, in aggregate, from bank on the basis of security of current assets. The Company has filed quarterly returns or statements with such bank in which there are few differences when compared with the unaudited books of accounts (refer note 37.0).
- (iii) According to the information and explanations given to us and on the basis of our examination of records of the Company, the Company has not made investment in, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to Companies, firms, Limited liability partnership or any other party during the year.
- (iv) In our opinion and according to the information and explanations given to us, the Company has not granted any loans or made any investment in or provided any guarantees or security to the parties covered under Section 185 and 186 of the Companies Act, 2013.
- (v) According to the information and explanations given to us, the Company has not accepted any deposit or amounts which are deemed to be deposits. Hence reporting under clause 3 (v) of the order is not applicable.
- (vi) Pursuant to the rules made by the Central Government of India, the Company is not required to maintain cost records as specified under Section 148 (1) of the Companies Act, 2013.
- (vii)
- (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company has generally been regularly depositing with the appropriate authorities undisputed statutory dues including Goods and Services Tax, provident fund, employees' state insurance, income tax, duty of customs, and other material statutory dues applicable to it. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they became payable.
- (b) According to the records of the Company and as per the information and explanations given to us, there are no disputed statutory dues in respect of statutory dues as referred to in sub- clause (a).
- (viii) There were no transactions relating to previously unrecorded income that were surrendered or disclosed as income in the tax assessments under the Income Tax Act, 1961, during the year.
- (ix)
- (a) In our opinion, the Company has not defaulted in the repayment of loans or other borrowings or in the payment of interest thereon to any lender during the year.

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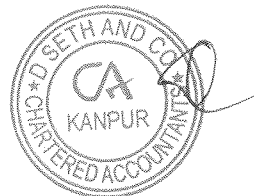


- (b) The company has not been declared willful defaulter by any bank or financial institution or government or any government authority.
- (c) In our opinion, and according to the information and explanations given to us, the term loans have been applied for the purposes for which they were obtained.
- (d) On an overall examination of the financial statements of the Company, funds raised on short-term basis have, prima facie, not been used during the year for long-term purposes by the Company.
- (e) In our opinion and according to the information and explanation given to us, the Company is not having any subsidiary, associates or joint ventures, hence clause 3(ix)(e) is not applicable to it.
- (f) In our opinion and according to the information and explanation given to us, the Company is not having any subsidiary, associates or joint ventures, hence clause 3(ix)(f) is not applicable to it.
- (x)
  - (a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause 3(x)(a) of the Order is not applicable.
  - (b) During the year the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause 3 (x)(b) of the Order is not applicable to the Company.
- (xi)
  - (a) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given to us, we report that no fraud by the Company or no fraud on the Company has been noticed or reported during the year.
  - (b) To the best of our knowledge, no report under sub- section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and up to the date of this report.
  - (c) As represented to us by the Management, there were no whistle blower complaints received by the Company during the year.



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- (xii) The Company is not a Nidhi Company and hence reporting under clause 3 (xii) of the Order is not applicable.
- (xiii) In our opinion, the Company is in compliance with Section 177 and 188 of the Companies Act, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv)
- (a) In our opinion and according to the information and explanations given to us, the Company has an internal audit system commensurate with the size and nature of its business.
- (b) The reports of the internal auditor for the period under audit have been considered by us.
- (xv) In our opinion during the year the Company has not entered into any non-cash transactions with any of its directors or persons connected with such directors and hence reporting under clause 3(xv) of the Order is not applicable to the Company.
- (xvi)
- (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of Clause 3(xvi)(a) of the said Order are not applicable to the Company.
- (b) The Company has not conducted any non-banking financial/ housing finance activities during the year.
- (c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, the provisions of Clause 3(xvi)(c) of the said Order are not applicable to the Company.
- (d) According to the information and explanations given to us, there is no Core Investment Company as a part of the Group. Accordingly, the provisions of Clause 3(xvi)(d) of the said Order are not applicable to the Company.
- (xvii) On the basis of records examined by us, we report that the Company has incurred cash Loss of Rs 20.45 Lakh for the financial year ended 31<sup>st</sup> March 2023 and cash loss of Rs 9.36 Lakh in the immediately preceding financial year ended on 31<sup>st</sup> March 2022.
- (xviii) There has been no resignation of the statutory auditors of the Company during the year.



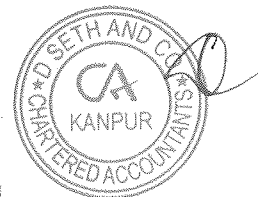
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- (xix) On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balancesheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts upto the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- (xx) The Company was incorporated on 19<sup>th</sup> November, 2019 and has, at aggregate level, net losses since incorporation and hence it is not required to spend any money under sub-section (5) of section 135 of the Act. Accordingly, reporting under clause 3 (xx) of the Order is not applicable to the Company for the year.

FOR D SETH AND CO,  
Chartered Accountants,  
(Firm Registration No. 028869C)



(Deepak Seth)  
Proprietor  
Membership No. 073081



Place: Kanpur

Dated: 24 MAY 2023

UDIN: 23073081/BG/WXVV5/02

### **Annexure-B to Independent Auditors' Report**

Referred to in Paragraph 2(f) under the heading of "Report on Other Legal and Regulatory Requirements" of our report of even date to the members of Ganesha Ecopet Private Limited on the financial statements as of and for the year ended 31<sup>st</sup> March 2023.

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### **Report on the Internal Financial Controls Over Financial Reporting 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 Ganesha Ecopet Private Limited ("the Company") as of 31st March 2023 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

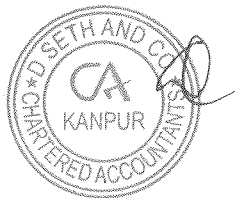
### **Management's Responsibility for Internal Financial Controls**

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



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on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

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

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

- (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations 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 the financial statements.

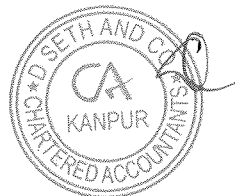
### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

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

### **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were

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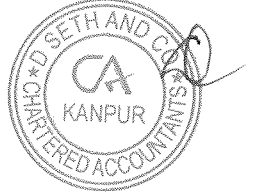


operating effectively as at 31st March 2023, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

FOR D SETH AND CO,  
Chartered Accountants,  
(Firm Registration No. 028869C)



(Deepak Seth)  
Proprietor  
Membership No. 073081



Place: Kanpur

Dated: 24 MAY 2023

UDIN: 23073081BGWXVVS102

**GANESHA ECOPET PRIVATE LIMITED**

**Balance Sheet as at March 31, 2023**

Particulars	Note No.	(Rs. In Lakh)	
		As at March 31, 2023	As at March 31, 2022
<b>ASSETS</b>			
<b>(1) Non-current assets</b>			
(a) Property, plant and equipment			
(b) Capital work-in-progress	3.1	1,396.36	1,301.26
(c) Intangible assets	3.2	23,209.38	11,763.17
(d) Financial assets:	4.0	2.42	3.19
(i) Other financial assets	5.1	45.07	61.67
(e) Other non-current assets	6.0	2,462.45	1,901.36
(f) Deferred tax assets (net)	7.0	9.44	5.93
<b>Sub-total</b>		<b>27,125.12</b>	<b>15,036.58</b>
<b>(2) Current assets</b>			
(a) Inventories	8.0	2,211.25	-
(b) Financial assets:			
(i) Trade receivables	9.1	302.89	-
(ii) Cash and cash equivalents	9.2	189.49	1,620.51
(iii) Other financial assets	9.3	3.36	2.18
(c) Other current assets	10.0	1,372.33	5.37
(d) Current tax assets (net)	11.0	4.78	12.84
<b>Sub-total</b>		<b>4,084.10</b>	<b>1,640.90</b>
<b>TOTAL ASSETS</b>		<b>31,209.22</b>	<b>16,677.48</b>
<b>EQUITY AND LIABILITIES</b>			
<b>(1) Equity</b>			
(a) Equity share capital	12.1	1,500.00	1,000.00
(b) Other equity	12.2	(45.52)	(28.64)
<b>Sub-total</b>		<b>1,454.48</b>	<b>971.36</b>
<b>(2) Liabilities</b>			
<b>(2A) Non-current liabilities</b>			
(a) Financial liabilities			
-Borrowings			
(b) Government grants	13.0	25,593.89	14,705.41
(c) Provisions	14.2	591.88	473.50
<b>Sub-total</b>	16.1	<b>40.79</b>	<b>23.55</b>
<b>(2B) Current liabilities</b>			
(a) Financial liabilities:			
(i) Borrowings	13.0	1,578.49	125.51
(ii) Trade payables	15.0	-	-
- Total outstanding dues of micro enterprises and small enterprises		-	-
- Total outstanding dues of creditors other than micro enterprises and small enterprises		467.66	-
(ii) Other current financial liabilities	17.0	1,442.04	365.96
(b) Other current liabilities	18.0	33.34	7.44
(c) Provisions	16.2	6.65	4.75
<b>Sub-total</b>		<b>3,528.18</b>	<b>503.66</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>31,209.22</b>	<b>16,677.48</b>
Significant accounting policies	2.0	-	-

The accompanying notes are an integral part of these Financial Statements.

As per our report of even date attached

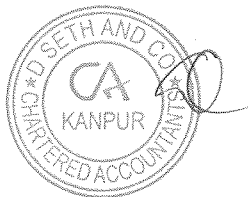
**For D SETH AND CO**  
Chartered Accountants  
Firm Reg. No. 028869C

  
**Deepak Seth**  
Proprietor

Membership No.: 073081

Place: Kanpur

Date: 24 MAY 2023



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



**Sharad Sharma**  
Chairman  
DIN: 00383178

  
**Gopal Agarwal**  
Chief Financial Officer  
FCA: 075080

  
**Muskan Maggo**  
Company Secretary  
ACS: 56112

## GANESHA ECOPET PRIVATE LIMITED

## Statement of profit and loss for the year ended March 31, 2023

(Rs. In Lakh)

Particulars	Note No.	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>I INCOME</b>			
Revenue from operations		-	-
Other income	19.0	0.53	-
<b>Total income</b>		<b>0.53</b>	<b>-</b>
<b>II EXPENSES</b>			
Finance costs	20.0	1.08	0.11
Other expenses	21.0	19.90	9.25
<b>Total expenses</b>		<b>20.98</b>	<b>9.36</b>
<b>III Loss before tax (I-II)</b>		<b>(20.45)</b>	<b>(9.36)</b>
<b>IV Tax expense</b>	22.0		
Current tax		(0.06)	(0.01)
Deferred tax (credit)		(3.51)	(5.93)
<b>Total tax expense</b>		<b>(3.57)</b>	<b>(5.94)</b>
<b>V Loss for the year (III-IV)</b>		<b>(16.88)</b>	<b>(3.42)</b>
<b>VI Other comprehensive income</b>		-	-
<b>VII Total comprehensive loss for the year (V+VI)</b>		<b>(16.88)</b>	<b>(3.42)</b>
<b>VIII Earnings per share</b>	23.0		
Basic (face value of Rs. 10/- per equity share)		(0.16)	(0.03)
Diluted (face value of Rs. 10/- per equity share)		(0.16)	(0.03)

Significant accounting policies

2.0

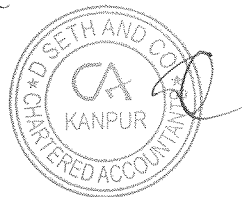
The accompanying notes are an integral part of these Financial Statements.

As per our report of even date attached

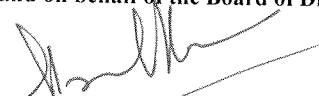
For D SETH AND CO  
Chartered Accountants  
Firm Reg. No. 028869C



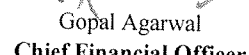
Deepak Seth  
Proprietor  
Membership No.: 073081  
Place: Kanpur  
Date: 24 MAY 2023



For and on behalf of the Board of Directors

  
Sharad Sharma  
Chairman

DIN: 00383178

  
Gopal Agarwal  
Chief Financial Officer  
FCA: 075080

  
Muskan Maggo  
Company Secretary  
ACS: 56112

**GANESHA ECOPET PRIVATE LIMITED**

**Cash flow statement for the year ended March 31,2023**

(Rs. in Lakh)

Particulars	Note No.	Year ended March 31, 2023	Year ended March 31, 2022
<b>A. Cash flow from operating activities:</b>			
Loss before tax as per statement of profit and loss		(20.45)	(9.36)
<b>Operating loss before working capital changes</b>		<b>(20.45)</b>	<b>(9.36)</b>
<b>Movements in working capital:</b>			
(Increase) in trade Receivables		(302.89)	-
(Increase)/ decrease in other receivables and prepayments		(1,069.54)	470.07
(Increase) in Inventories		(2,211.25)	-
Increase in Trade Payables		467.66	-
Increase in other payables		174.18	95.31
Increase in provisions		19.13	26.04
<b>Cash generated from operations</b>		<b>(2,943.16)</b>	<b>582.06</b>
Direct taxes paid (net of refunds)		8.13	(12.57)
<b>Net cash flow generated from operating activities (A)</b>		<b>(2,935.03)</b>	<b>569.49</b>
<b>B. Cash flow from investing activities</b>			
Purchase of Property, Plant and Equipment		(11,141.07)	(10,473.52)
Purchase of Intangible Assets		-	(2.00)
Investment in Bonds/ Debt Securities		-	(4,305.23)
Proceeds from maturity of Bonds/ Debt Securities		-	4,305.23
Fixed deposits made with Banks & financial Institution		-	(1,478.79)
Fixed deposits matured with Bank & financial Institution		16.60	2,562.19
<b>Net cash flow used in investing activities (B)</b>		<b>(11,124.47)</b>	<b>(9,392.12)</b>
<b>C. Cash flow from financing activities</b>			
Proceeds from issue of Equity Share (Related Party)		500.00	-
Proceeds from issue of Non-Convertible Cumulative Redeemable Preference Shares (Related Party)		3,500.00	-
Proceeds from Non-Current Borrowings (other than Related Party)		5,907.35	17,234.21
Repayment of Non-Current Borrowings (other than Related Party)		(188.87)	(6,450.00)
Proceeds from Non-Current Borrowings (Related Party)		5,837.00	5,050.00
Repayment of Non-Current Borrowings (Related Party)		(3,927.00)	(5,420.00)
Proceeds from current borrowings (net) (other than related parties)		1,000.00	-
<b>Net cash flow generated from/ (used in) in financing activities (C)</b>		<b>12,628.48</b>	<b>10,414.21</b>
<b>Net (decrease)/ increase in cash and cash equivalents (A+B+C)</b>		<b>(1,431.02)</b>	<b>1,591.58</b>
Cash and cash equivalents at the beginning of the year		1,620.51	28.93
<b>Cash and cash equivalents at the end of the year (Refer Note 9.2)</b>		<b>189.49</b>	<b>1,620.51</b>

2.0

**Notes:**

1. The above cash flow statement has been prepared under the indirect method as set out in Ind AS 7, 'Statement of Cash Flows'.
2. Additions to property, plant and equipment includes movement of capital work-in-progress during the year.
3. The accompanying notes are an integral part of these financial statements.

As per our report of even date attached

**For D SETH AND CO**  
Chartered Accountants  
Firm Reg. No. 028869C


  
**Deepak Seth**  
Proprietor

Membership No.: 073081  
Place: Kanpur

Date: 24 MAY 2023



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

  
**Sharad Sharma**  
Chairman  
DIN: 00383178

  
**Gopal Agarwal**  
Chief Financial Officer  
FCA: 075080

  
**Muskan Maggo**  
Company Secretary  
ACS: 56112

**GANESHA ECOPET PRIVATE LIMITED**

**Statement of changes in equity for the year ended March 31, 2023**

**A. Equity share capital**

	(Rs. In Lakh)
<b>As at April 1, 2021</b>	1,000.00
Changes in equity share capital during the year	-
<b>As at March 31, 2022</b>	<b>1,000.00</b>
Changes in equity share capital during the year	500.00
<b>As at March 31, 2023</b>	<b>1,500.00</b>

**B. Other equity**

	(Rs. In Lakh)	
Particulars	Reserves and surplus "Retained earnings"	Total
<b>As at April 1, 2021</b>		
(Loss) for the year ended March 31,2022	(25.22)	(25.22)
Other comprehensive (Loss) for the year ended March 31,2022	(3.42)	(3.42)
<b>Total comprehensive (Loss) for the year ended March 31,2022</b>	-	-
<b>Balance as at March 31, 2022</b>	<b>(28.64)</b>	<b>(28.64)</b>
(Loss) for the year ended March 31,2023	<b>(28.64)</b>	<b>(28.64)</b>
Other comprehensive (Loss) for the year ended March 31,2023	(16.88)	(16.88)
<b>Total comprehensive (Loss) for the year ended March 31,2023</b>	-	-
<b>Balance as at March 31, 2023</b>	<b>(16.88)</b>	<b>(16.88)</b>
	<b>(45.52)</b>	<b>(45.52)</b>

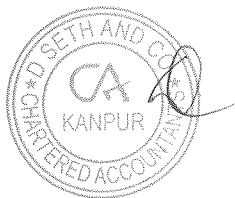
The accompanying notes are an integral part of these financial statements.

As per our report of even date attached

**For D SETH AND CO**  
Chartered Accountants  
Firm Reg. No. 028869C



**Deepak Seth**  
Proprietor  
Membership No.: 073081  
Place: Kanpur



Date: 24 MAY 2023

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



**Sharad Sharma**  
Chairman  
DIN: 00383178



**Gopal Agarwal**  
Chief Financial Officer  
FCA: 075080



**Muskan Maggo**  
Company Secretary  
ACS: 56112

## GANESHA ECOPET PRIVATE LIMITED

Notes to the financial statements for the year ended March 31, 2023

### 1.0 Corporate information

Ganesha Ecopet Private Limited has been incorporated on 19th November, 2019 under the provisions of Companies Act, 2013 with the object of manufacturing of Recycled Pet Resin/chips, recycled polyester staple fibre, recycled filament yarn and other plastic recycled products made from plastic scrap and waste. The address of the registered office is 113/216 A, Ground Floor, Swaroop Nagar, Kanpur (U. P.).

### 2.0 Significant Accounting Policies

#### a) Basis of preparation

##### (i) Compliance with Indian Accounting Standards

These financial statements have been prepared in accordance with the Indian Accounting Standards ('IND AS') as notified by Ministry of Corporate Affairs pursuant to Section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015, as amended.

The accounting policies have been applied consistently to all the periods presented in the financial statements.

##### (ii) Historical cost convention

The financial statements have been prepared on a historical cost basis with the exception of certain assets and liabilities that are required to be carried at fair value by IND AS.

##### (iii) Current versus non-current classification

All the assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criterion set out in Schedule III to the Companies Act, 2013. Based on the nature of products and the time between the acquisition of assets for processing and their realization in cash and cash equivalent, the Company has ascertained its operating cycle to be 12 months for the purpose of current and non-current classification of assets and liabilities.

##### (iv) Rounding of amounts

All amounts disclosed in the financial statements and notes have been rounded off to the nearest Lakhs as per the requirement of Schedule III of the Companies Act, 2013, unless otherwise stated.

#### b) Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions, based upon the best knowledge of current events and actions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities as at the date of financial statements and the reported amounts of incomes and expenses during the reported period. Actual results may differ from those estimates. Any difference between the actual results and the estimates are recognized in the period in which the results are known/ materialised.

#### c) Foreign currency translation

##### (i) Functional and presentation currency

The financial statements are presented in Indian rupee ('Rs.'), which is Company's functional and presentation currency.

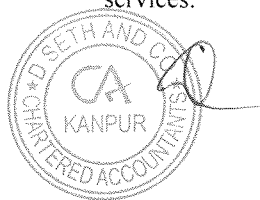
##### (ii) Transactions and balances

Transactions in foreign currencies are recognised at the prevailing exchange rates on the transaction dates. Realised gains and losses on settlement of foreign currency transactions are recognised in the Statement of Profit and Loss.

Monetary foreign currency assets and liabilities at the year-end are translated at the year-end exchange rates and the resultant exchange differences are recognised in the Statement of Profit and Loss.

#### d) Revenue recognition

The Company derives revenues primarily from sale of manufactured goods, traded goods and related services.



*Murkan Maggo*

## **GANESHA ECOPET PRIVATE LIMITED**

### **Notes to the financial statements for the year ended March 31, 2023**

The specific criterion for each of the Company's activities has been stated below:

**(i) Sale of goods**

Revenue is recognized upon transfer of control of promised goods to customers (i.e. when performance obligation is satisfied) for an amount that reflects the consideration which the Company expects to receive in exchange for those products. The Company does not expect to have any contracts where the period between the transfer of promised goods to the customer and payment by the customer exceeds one year. As a consequence, it does not adjust any of the transaction prices for the value of money.

Revenue is measured based on transaction price, which is the consideration, adjusted for trade discounts such as cash discounts, volume discounts or any other price concession as may be agreed with the customers. Revenues also excludes Goods and Services Tax (GST) or any other tax collected from customers.

**(ii) Interest income**

Interest income is recognized on time proportion accrual basis using the applicable/ effective interest rate.

**e) Government grants**

Grants from the Government are recognised at their fair value when there is reasonable assurance that the grant will be received and the Company will comply with all the attached conditions.

Government grants relating to the purchase of property, plant and equipment are included in non-current liabilities as deferred income and are credited to the statement of profit and loss on a straight line basis over the expected lives of related assets and are presented within other income. Government grants relating to an expense item is recognised as income on a systematic basis over the periods and it is classified under other operating income.

Export Promotion Capital Goods ('EPCG') scheme allows import of certain capital goods at zero/ concessional duty subject to an export obligation for the duty saved. The custom duty saved on capital goods under EPCG scheme is treated as a Government grant and is recognised as income spread equally over the expected useful life of the related asset.

**f) Taxes**

**(i) Current income-tax**

Current income-tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantially enacted, at the reporting date.

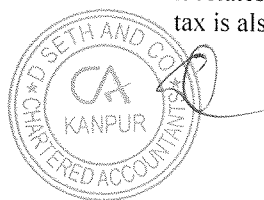
**(ii) Deferred income-tax**

Deferred income-tax is provided in full, using the liability method on temporary differences arising between the tax bases of assets and liabilities and their carrying amount in the financial statements. Deferred income-tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income-tax assets are realised or the deferred income-tax liabilities are settled.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses, only if, it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities. Current tax assets and tax liabilities are off set where the Company has a legally enforceable right to offset and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Current and deferred tax is recognised in the Statement of Profit and Loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.



*Muskan Naggo*

## GANESHA ECOPET PRIVATE LIMITED

### Notes to the financial statements for the year ended March 31, 2023

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

#### g) **Property, plant and equipment**

Freehold land is carried at cost. All other items of property, plant and equipment are stated at cost less depreciation and impairment, if any. Cost includes all expenditure necessary to bring the asset to its working condition for its intended use.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component

accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to the Statement of Profit and Loss during the reporting period in which they are incurred.

Property, plant and equipment which are not ready for their intended use are disclosed under capital work-in-progress. Expenditure during construction period (including borrowing cost relating to borrowed funds for construction or acquisition of property, plant and equipment) incurred on projects/assets, including trial run expenses (net of revenue) are treated as pre-operative expenses, pending allocation to the assets, and are included under capital work-in-progress. These expenses are apportioned to related property, plant and equipment on commencement of commercial production. Capital work-in-progress is stated at the amount expended up to the date of the balance sheet.

Depreciation on property, plant and equipment is provided on Written Down Value Method ("WDV"). The company depreciates its property, plant and equipment over the useful life in the manner prescribed in Schedule II to the Act and management believes that the useful life of the assets are same as those prescribed in the Schedule II to the Act.

Residual value of the tangible assets is considered to be not more than 5% of the cost of the asset.

#### h) **Intangible Assets**

Intangible assets are stated at cost less accumulated amortization and impairment if any. Cost includes all expenditure necessary to bring the assets to its working condition for its intended use. The company amortizes Computer Software using the straight-line method over the period of 5 years.

#### i) **Borrowing costs**

Interest and other borrowing costs including dividend & redemption premium payable on Non-convertible Cumulative Redeemable Preference Shares, attributable to qualifying assets, which takes substantial period of time to get ready for its intended use, are capitalized. All other interest and borrowing costs are charged to the statement of profit and loss.

#### j) **Lease**

##### **Operating lease**

##### **As a lessee**

Assets acquired on leases where a significant portion of the risks and rewards of ownership are retained by lessor are classified as operating leases. Payments under operating lease are recorded in the Statement of Profit and Loss on a straight line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases.

#### k) **Impairment of non-financial assets**

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's fair value less costs of disposal and its value in use. When



*Muskan Maggo*

## GANESHA ECOPET PRIVATE LIMITED

### Notes to the financial statements for the year ended March 31, 2023

the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

Impairment losses, if any, are recognized in the Statement of Profit and Loss. Non-financial assets that suffered an impairment are reviewed for possible reversal of impairment at the end of each reporting period.

#### l) Provisions and contingent liabilities

Provisions are recognized when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

Contingent liabilities are disclosed in respect of possible obligations that arise from past events but their existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or where any present obligation cannot be measured in terms of future outflow of resources or where a reliable estimate of the obligation cannot be made. The Company does not recognise a contingent liability but discloses its existence in the financial statements unless the probability of outflow of resource is remote.

Provisions and contingent liabilities are reviewed at each balance sheet date.

#### m) Employee Benefits

##### (i) Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits, that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service, are recognized in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled.

##### (ii) Other long-term employee benefits

The liabilities for earned leave, that are not expected to be settled wholly within 12 months, are measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period on Government bonds that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognized in the statement of profit and loss.

##### (iii) Post-employment obligations

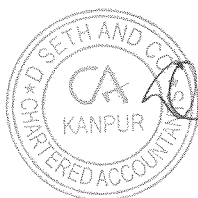
The Company operates the following post-employment schemes:

- (a) defined benefit plans such as gratuity; and
- (b) defined contribution plans such as provident fund, family pension fund and employee's state insurance

##### (a) Gratuity obligations

The liability or asset recognised in the balance sheet in respect of defined benefit gratuity plan is the present value of the defined benefit obligation at the end of the reporting period. The defined benefit obligation is calculated annually by independent actuary using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on Government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation. This cost is included in employee benefits expenses in the statement of profit and loss.



*Muehan Nazki*

## GANESHA ECOPET PRIVATE LIMITED

### Notes to the financial statements for the year ended March 31, 2023

Re-measurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

#### (b) Defined contribution plans

Defined contribution plans such as contributions to provident fund, family pension fund and employee's state insurance are made to the funds administered by the Government of India, and are recognized as an expense when employees have rendered service entitling them to the contributions.

#### n) Cash and cash equivalents

For the purpose of presentation in the Statement of Cash Flows, cash and cash equivalents includes cash at banks and on hands, which are subject to an insignificant risk of changes in value.

#### o) Financial instruments

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 classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

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

###### Subsequent measurement

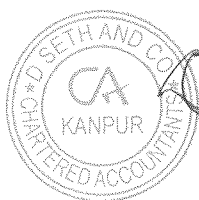
Subsequent measurement of financial assets depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. For the purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at amortised cost (debt instruments)
- Financial assets at fair value through other comprehensive income (FVTOCI) with recycling of cumulative gains and losses (debt instruments)
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments); and
- Financial assets at fair value through profit or loss

###### Financial assets at amortised cost (debt instruments)

A 'financial asset' is measured at the amortised cost if both the following conditions are met:

- a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and



*Muskan Maggo*

## GANESHA ECOPET PRIVATE LIMITED

### Notes to the financial statements for the year ended March 31, 2023

b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the statement of profit and loss. The losses arising from impairment are recognised in the statement of profit and loss.

#### Financial assets at FVTOCI (debt instrument)

A 'financial asset' is classified as at the FVTOCI if both of the following criteria are met:

a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and

b) The asset's contractual cash flows represent SPPI.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the Company recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the statement of profit and loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to the statement of profit and loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

#### Financial assets designated at fair value through OCI (equity instruments)

In the case of equity instruments which are not held for trading and where the Company has taken irrevocable election to present the subsequent changes in fair value in other comprehensive income, these elected investments are initially measured at fair value plus transaction costs and subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the 'Equity instruments through other comprehensive income' under the head 'Other Equity'. The cumulative gain or loss is not reclassified to profit or loss on disposal of the investments. The Company makes such election on an instrument -by-instrument basis.

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 statement of profit and loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

Dividends are recognized as other income in the statement of profit and loss when the right of payment has been established, except when the Company benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

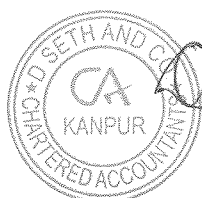
#### A financial asset is held for trading if:

- it has been acquired principally for the purpose of selling it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Company manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument or a financial guarantee.

#### Financial assets at FVTPL (equity instruments)

Financial assets at fair value through profit or loss are carried in the balance sheet at fair value with net changes in fair value recognised in the statement of profit and loss.

In case of equity instruments which are held for trading are initially measured at fair value plus transaction costs and subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in statement of profit and loss.



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## **GANESHA ECOPET PRIVATE LIMITED**

### **Notes to the financial statements for the year ended March 31, 2023**

This category includes derivative instruments and listed equity investments which the Company had not irrevocably elected to classify at fair value through OCI. Dividends on listed equity investments are recognised in the statement of profit and loss when the right of payment has been established.

#### **Derecognition**

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised when:

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

#### **Impairment of financial assets**

The Company applies the expected credit loss model for recognising impairment loss on financial assets measured at amortised cost, debt instruments at FVTOCI, trade receivables and other contractual rights to receive cash or other financial asset.

Expected credit losses are the weighted average of credit losses with the respective risks of default occurring as the weights. Credit loss is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive (i.e. all cash shortfalls), discounted at the original effective interest rate (or credit-adjusted effective interest rate for purchased or originated credit impaired financial assets). The Company estimates cash flows by considering all contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) through the expected life of that financial instrument.

The Company measures the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. If the credit risk on a financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses. 12-month expected credit losses are portion of the life-time expected credit losses and represent the lifetime cash shortfalls that will result if default occurs within the 12 months after the reporting date and thus, are not cash shortfalls that are predicted over the next 12 months.

For trade receivables, the Company follows "simplified approach for recognition of impairment loss. The application of simplified approach does not require the Company to track changes in credit risk.

Further, for the purpose of measuring lifetime expected credit loss allowance for trade receivables, the Company has used a practical expedient as permitted under Ind AS 109. This expected credit loss allowance is computed based on a provision matrix which takes into account historical credit loss experience and adjusted for forward looking information.

#### **(b) Financial liabilities**

##### **Initial recognition and measurement**

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The Company's financial liabilities include trade and other payables, loans and borrowings including derivative financial instruments.

##### **Subsequent measurement**

The measurement of financial liabilities depends on their classification, as described below:

##### **Financial liabilities at fair value through profit or loss**

Financial liabilities at fair value through profit or loss (FVTPL) include financial liabilities held for trading and financial liabilities designated upon initial recognition as at FVTPL. Financial liabilities are



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## GANESHA ECOPET PRIVATE LIMITED

### Notes to the financial statements for the year ended March 31, 2023

classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109 'Financial instruments'.

Gains or losses on liabilities held for trading are recognised in the statement of profit and loss.

#### Financial liabilities at amortised cost (Loans and borrowings)

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in statement of profit and loss when the liabilities are derecognised as well as through the EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss. This category generally applies to borrowings.

#### Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another financial liability 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 derecognition 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.

#### Offsetting of financial instruments

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

#### p) Earnings per share

##### (i) Basic earnings per share

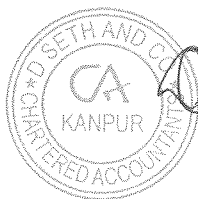
Basic earnings per share is calculated by dividing the net profit or loss for the year attributable to the equity shareholders of the Company by the weighted average number of equity shares outstanding during the year.

##### (ii) Diluted earnings per share

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

#### q) Recent pronouncements

The Ministry of Corporate Affairs ("MCA") has notified Companies (Indian Accounting Standards) Amendment Rules, 2023 (the 'Rules'), vide notification dated March 31, 2023, which amends existing standards, and are effective from April 1, 2023. The Rules predominantly amends Ind AS 1, Presentation of financial statements and Ind AS 12, Income taxes, whereas the other amendments notified by these rules are primarily in the nature of clarifications only. The Company does not expect the amendment to have any significant impact in the current or future reporting periods and on foreseeable future transactions.



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## Notes to the financial statements for the year ended March 31, 2023

## 3.1 Property, Plant and Equipment

Particulars					(Rs. In Lakh)
	Freehold land	Furniture & Fixtures	Office Equipments	Motor Vehicle	Total
<b>Gross Block</b>					
As at April 1, 2021	1,245.71	1.29	31.87	0.96	1,279.83
Additions during the year	-	1.22	19.65	32.30	53.17
Disposals during the year	-	-	-	-	-
<b>As at March 31, 2022</b>	<b>1,245.71</b>	<b>2.51</b>	<b>51.52</b>	<b>33.26</b>	<b>1,333.00</b>
Additions during the year	-	6.87	80.16	55.82	142.85
Disposals during the year	-	-	-	-	-
<b>As at March 31, 2023</b>	<b>1,245.71</b>	<b>9.38</b>	<b>131.68</b>	<b>89.08</b>	<b>1,475.85</b>
<b>Accumulated depreciation</b>					
As at April 1, 2021	-	0.06	7.56	0.10	7.72
Charge for the year	-	0.55	16.34	7.13	24.02
Disposals	-	-	-	-	-
<b>As at March 31, 2022</b>	<b>-</b>	<b>0.61</b>	<b>23.90</b>	<b>7.23</b>	<b>31.74</b>
Charge for the year	-	0.93	29.96	16.86	47.75
Disposals	-	-	-	-	-
<b>As at March 31, 2023</b>	<b>-</b>	<b>1.54</b>	<b>53.86</b>	<b>24.09</b>	<b>79.49</b>
<b>Net block</b>					
As at March 31, 2022	1,245.71	1.90	27.62	26.03	1,301.26
<b>As at March 31, 2023</b>	<b>1,245.71</b>	<b>7.84</b>	<b>77.82</b>	<b>64.99</b>	<b>1,396.36</b>

## 3.2 Capital Work-in-progress (CWIP):

Particulars	Amount of CWIP for a period of				(Rs. In Lakh)
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
As at March 31, 2022					
Project in progress	11,175.15	576.87	11.15	-	11,763.17
<b>As at March 31, 2023</b>					
Project in progress	11,446.21	11,175.15	576.87	11.15	23,209.38

3.3 Land has been purchased from Telangana State Industrial Infrastructure Corporation Limited at Kakatiya Mega Textile Park, Shyampet, Geesugonda Mandal, Warangal Rural District, Telangana under an "Agreement for sale" and possession has also been taken. However, as per terms of agreement, Final Sale Deed will be executed and registered after implementation of the project and commencement of production as per terms of allotment of land. Application for execution of sale deed has already been moved to the concerned authority. Company is, however, having the possession and title of the land in its name as per registered agreement for sale.

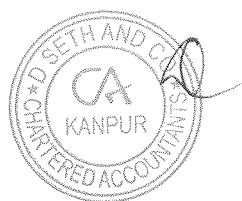
3.4 All property, plant and equipment, intangible assets as well as capital work-in-progress are charged as security for the term loans from banks, to secure their respective dues (refer notes 13.0 and 24.0).

3.5 Refer note 26.1 for contractual commitment for the acquisition of property, plant and equipment.

3.6 There is no impairment loss during the year ending March 31, 2023 and March 31, 2022.

3.7 There is no capital work-in-progress whose completion is overdue or has exceeded its cost compared to its revised estimates on revision of original plan during the year.

3.8 There is no project which has temporarily been suspended.



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4.0 Intangible Assets		(Rs. In Lakh)	
Particulars	Software	Total	
<b>Gross Block</b>			
As at April 1, 2021			
Additions during the year	1.86	1.86	
Disposals during the year	2.00	2.00	
<b>As at March 31, 2022</b>	-	-	
Additions during the year	3.86	3.86	
Disposals during the year	-	-	
<b>As at March 31, 2023</b>	<b>3.86</b>	<b>3.86</b>	
<b>Accumulated amortisation</b>			
As at April 1, 2021			
Amortization for the year	0.04	0.04	
Disposals	0.63	0.63	
<b>As at March 31, 2022</b>	-	-	
Amortization for the year	0.67	0.67	
Disposals	0.77	0.77	
<b>As at March 31, 2023</b>	<b>1.44</b>	<b>1.44</b>	
<b>Net block</b>			
As at March 31, 2022			
As at March 31, 2023	<b>3.19</b>	<b>3.19</b>	
	<b>2.42</b>	<b>2.42</b>	

- 4.1 There is no impairment loss during the year ending March 31, 2023 and March 31, 2022.
- 4.2 There is no intangible asset under development and hence, related disclosures are not applicable.

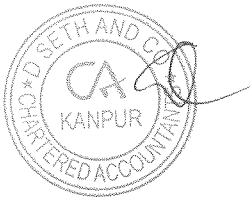
5.0 Non-current financial assets

5.1 Others

Particulars	(Rs. In Lakh)	
	As at March 31, 2023	As at March 31, 2022
Bank deposits with original maturity of more than 12 months	-	16.60
Security Deposits	45.07	45.07
<b>Total</b>	<b>45.07</b>	<b>61.67</b>

6.0 Other Non-current assets

Particulars	(Rs. In Lakh)	
	As at March 31, 2023	As at March 31, 2022
Capital advances	2,451.63	1,591.95
Prepaid Expenses	10.82	56.00
Balance with Government Authorities	-	253.41
<b>Total</b>	<b>2,462.45</b>	<b>1,901.36</b>



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**GANESHA ECOPET PRIVATE LIMITED**  
Notes to the financial statements for the year ended March 31, 2023

7.0 Deferred Tax Assets (net)		(Rs. In Lakh)	
Particulars	As at		As at
	March 31, 2023	March 31, 2022	March 31, 2022
Deferred tax liability	-	-	-
	<b>Sub-total</b>		-
Deferred tax asset			
Unabsorbed Losses	7.90		4.39
Others	1.54		1.54
	<b>Sub-total</b>		5.93
<b>Deferred Tax Assets (net)*</b>	<b>Total</b>		<b>5.93</b>
	9.44		9.44

\*The Company has recognized net deferred tax assets considering that it is probable that future taxable profit will be available against which the unused tax losses can be utilized.

7.1 Movement of Deferred Tax Assets (net)		(Rs. In Lakh)	
Particulars	As at		As at
	March 31, 2023	March 31, 2022	March 31, 2022
Deferred tax assets (net)			
As at the beginning of the year	5.93		-
Credit to statement of profit and loss	3.51		5.93
	<b>Total</b>		<b>5.93</b>
	9.44		9.44

8.0 Inventories		(Rs. In Lakh)	
(At the lower of cost and net realisable value)			
Particulars	As at		As at
	March 31, 2023	March 31, 2022	March 31, 2022
Raw materials	239.63		-
Raw materials (in Transit)	5.94		-
Finished Goods	1,919.19		-
Work-in-progress	32.34		-
Stores and spares	14.15		-
	<b>Total</b>		<b>-</b>
	2,211.25		-

9.0 Current Financial Assets

9.1 Trade Receivables		(Rs. In Lakh)	
Particulars	As at		As at
	March 31, 2023	March 31, 2022	March 31, 2022
Trade receivables	302.89		-
Less: Allowance for doubtful trade receivables	-		-
	<b>Total</b>		<b>-</b>
	302.89		-
<b>Break-up:</b>			
Receivables considered good-secured	-		-
Receivables considered good-unsecured	-		-
Receivables which have significant increase in credit risk	302.89		-
Receivables-credit impaired	-		-
Receivables considered doubtful-unsecured	-		-
	<b>Total</b>		<b>-</b>
	302.89		-
Less: Allowance for doubtful trade receivables	-		-
	<b>Total</b>		<b>-</b>
	302.89		-

Notes:

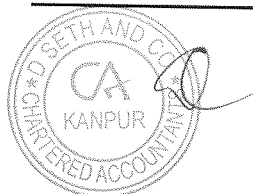
- 1) Trade receivable represents the amount of consideration, in exchange for goods or services transferred to the customers, that is unconditional. There are no contract assets and contract liabilities.
- 2) Refer note 31.0 & 32.0 for information about fair value measurement, credit risk and market risk of trade receivables.
- 3) Refer note 34.0 for ageing schedule of trade receivables.

9.2 Cash and Cash Equivalents		(Rs. In Lakh)	
Particulars	As at		As at
	March 31, 2023	March 31, 2022	March 31, 2022
Balances with banks:			
- On current accounts	188.32		119.95
- Deposits with original maturity of less than three months	-		1,500.00
Cash on hand	1.17		0.56
	<b>Total</b>		<b>1,620.51</b>
	189.49		1,620.51

9.3 Other Financial Assets		(Rs. In Lakh)	
Particulars	As at		As at
	March 31, 2023	March 31, 2022	March 31, 2022
Unsecured, considered good			
Security Deposits			
Interest receivable on fixed deposits and others	0.30		0.84
Interest receivable on security deposits	-		1.34
	<b>Total</b>		<b>-</b>
	3.06		-
	3.36		2.18

10.0 Other Current Assets		(Rs. In Lakh)	
Particulars	As at		As at
	March 31, 2023	March 31, 2022	March 31, 2022
Unsecured, considered good			
Advances to Suppliers	25.37		-
Advance to Employess and others	0.15		0.59
Prepaid expenses	30.20		4.78
Balances with Government authorities	1,316.61		-
	<b>Total</b>		<b>5.37</b>
	1,372.33		5.37

11.0 Current tax assets (net)		(Rs. In Lakh)	
Particulars	As at		As at
	March 31, 2023	March 31, 2022	March 31, 2022
Income Tax deducted/ collected at source	4.78		12.84
	<b>Total</b>		<b>12.84</b>
	4.78		12.84



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12.1 Share capital

(Rs. In Lakh)

Particulars	As at	
	March 31, 2023	March 31, 2022
<b>Authorised</b>		
1,50,00,000 (Previous Year 2,00,00,000) Equity shares of Rs. 10 each	1,50,00,000	2,00,00,000
65,00,000 (Previous Year 30,00,000) Preference shares of Rs. 100 each	6,50,00,000	3,00,00,000
<b>Total</b>	<b>8,00,00,000</b>	<b>5,00,00,000</b>
<b>Issued</b>		
1,50,00,000 (Previous Year 1,00,00,000) Equity shares of Rs. 10 each	1,50,00,000	1,00,00,000
65,00,000 (Previous Year 30,00,000) Preference shares of Rs. 100 each*	6,50,00,000	3,00,00,000
<b>Total</b>	<b>8,00,00,000</b>	<b>4,00,00,000</b>
<b>Subscribed and Paid-up</b>		
1,50,00,000 (Previous Year 1,00,00,000) Equity shares of Rs. 10 each fully paid up	1,50,00,000	1,00,00,000
<b>Total</b>	<b>1,50,00,000</b>	<b>1,00,00,000</b>

\* 1% Non-convertible Cumulative Redeemable Preference shares have been issued and subscribed for Rs.6,500 Lakh (March 31, 2022: 3,000 Lakh), however, these shares have been classified as Financial Liability (Long term borrowings) in compliance with IND AS-32 - (Refer Note 13.0 for details)

j) Reconciliation of number of shares outstanding at the end of the year :

Particulars	As at	
	March 31, 2023	March 31, 2022
<b>Shares (Nos)</b>	<b>Equity Shares</b>	<b>Preference Shares</b>
As at the beginning of the year	1,00,00,000	30,00,000
Add: Shares issued during the year	50,00,000	35,00,000
As at the end of the year	<b>1,50,00,000</b>	<b>65,00,000</b>

ii) The rights, preferences and restrictions attached to equity shares including restrictions on the distribution of dividends and the repayment of capital:

The Company has only one class of equity shares having par value of Rs. 10/- per share. Each holder of equity shares is entitled to one vote per share. The dividend proposed by the board of directors is subject to the approval of the shareholders in the annual general meeting except in the case of interim dividend. 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 their shareholding.

iii) Shares in the Company held by shareholder holding more than five per cent:

Name of the equity shareholder	As at	
	March 31, 2023	March 31, 2022
<b>Equity shares of Rs. 10/- each fully paid up</b>	<b>Nos.</b>	<b>% holding</b>
Ganeshia Ecosphere Limited (Holding Company) & its nominee	1,50,00,000	100.00%

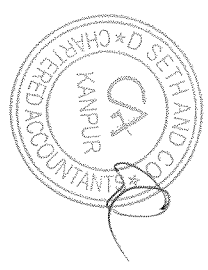
iv) Share holdings of Promoters

Particulars	As at March 31, 2023		As at March 31, 2022	
	No. of Shares	% of total shares	No. of Shares	% of total shares
<b>Equity Shares</b>				
Ganeshia Ecosphere Limited (Holding Company) & its nominee	1,50,00,000	100.00%	1,00,00,000	100.00%
<b>Preference Shares</b>				
Ganeshia Ecosphere Limited (Holding Company)	65,00,000	100.00%	30,00,000	100.00%

12.2 Other Equity

(Rs. in Lakh)

Particulars	As at	
	March 31, 2023	March 31, 2022
Retained earnings	(45.52)	(28.64)
(a) Retained earnings	(45.52)	(28.64)
Opening balance	(28.64)	(25.22)
Adjustment during the year	(16.88)	(3.42)
Net loss for the year	-	-
Other comprehensive loss (net) for the year	(45.52)	(28.64)
Closing balance	(45.52)	(28.64)



## Notes to the financial statements for the year ended March 31, 2023

## 13.0 Borrowings

Particulars	Non-current		Current	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
(Rs. In Lakh)				
<b>Non-Current Borrowings</b>				
(1) <b>Term Loans (Secured):</b>				
Term loans from banks	16,156.59	10,658.70	346.10	125.51
(2) <b>Unsecured Loans</b>				
(a) Loan from parent company (Related party)	2,443.25	765.00	231.75	-
(b) 65,00,000 (Previous year 30,00,000) 1% Non-Convertible Cumulative Redeemable Preference Shares of Rs. 100/- each (Related party) (refer note (iv) below)	6,994.05	3,281.71	-	-
	<b>25,593.89</b>	<b>14,705.41</b>	<b>577.85</b>	<b>125.51</b>
<b>Current Borrowings</b>				
a) Working capital loan from bank (secured)	1,000.64	-		
b) Current maturities of long-term borrowings	577.85	125.51		
	<b>1,578.49</b>	<b>125.51</b>		

## Notes:

(i) **Nature of security and terms of repayment of term loans from banks**

Term loans from Banks, balance outstanding amounting to Rs. 16,502.69 Lakh (March 31, 2022: Rs.10,784.21 Lakh), are secured by way of first charge, on pari passu basis, on entire tangible and intangible assets (present and future) of the Company, including equitable mortgage of immovable properties of the Company's Warangal project. The loan is further secured by way of corporate guarantee of parent company and personal guarantees of two directors of the Company. Term loans are repayable in quarterly installments starting from December, 2022 and last installment falling due in June, 2033. Rate of interest ranging from 8.30-9.75% p. a. (March 31, 2022: 7.00-8.25% p.a.).

(ii) **Nature of security and terms of repayment of working capital loan from bank**

Working capital loan from Bank, balance outstanding amounting to Rs. 1,000.64 Lakh (March 31, 2022: Nil), are secured by hypothecation of current assets (both present and future) of the Company, ranking pari passu inter-se. This loan is further secured by way of extension of pari passu second charge on property, plant and equipment of the Company's Warangal project and personal guarantees of two directors of the Company. Working capital loan is repayable on demand. Rate of interest 7.75% p. a. (March 31, 2022: N.A.).

(iii) **Terms of repayment of unsecured loan**

Unsecured loan from parent company is repayable in quarterly installments starting from 30/09/2023 and last installment falling due on 31.03.2029. Rate of interest 7.5% p.a. payable quarterly (March 31, 2022: 7.0%).

(iv) **Non-Convertible Cumulative Redeemable Preference Shares**

Preference Shares is treated as financial liability as per IND AS-32 as these carry fixed rate of dividend of 1% p.a. (i.e. Re. 1/- per share) on cumulative basis and fixed amount of Redemption Premium of Rs. 100/- per share and these shares shall be redeemed at any time at the option of the company but not later than 13 years from the date of allotment.

(v) **Rights, preferences and restrictions attached to Preference Shares:**

The company has only one class of Preference Shares i.e. 1% Non-Convertible Cumulative Redeemable Preference Shares (CRPS) of Rs. 100/- per share and they carry a preferential right vis-à-vis equity shares of the company with respect to the payment of the dividend and in case of winding up of repayment of capital. The Preference Shares carry voting rights as per the provisions of the Companies Act 2013.

(vi) **Details of Preference shareholders holding more than 5% shares:**

Name of the Preference shareholder	As at March 31, 2023		As at March 31, 2022	
	Nos.	% holding	Nos.	% holding
Ganesha Ecosphere Limited (Holding Company)	65,00,000	100%	30,00,000	100%

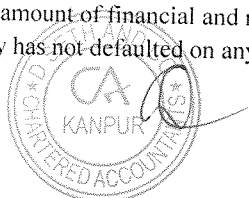
(vii) Preference dividend and Redemption Premium on Non-Convertible Cumulative Redeemable Preference Shares has, provisionally, been accrued as finance cost in compliance with IND AS-32. However, as per the Companies Act 2013, the preference shares are treated as part of share capital and the provisions of the Act relating to declaration of dividend as well as premium payable on redemption of preference shares would be applicable.

(viii) Refer Note 12.1 for authorised and issued preference share capital and the reconciliation of no.of preference shares along with promoter's holding.

(ix) Refer Note 32.0 for Liquidity Risk

(x) The carrying amount of financial and non financial assets as security for secured borrowings is disclosed in note 24.0.

(xi) The Company has not defaulted on any loans payable during the year and has satisfied all debt covenants prescribed in terms of the loans.



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**(xii) Net debt Reconciliation:**

Particulars	(Rs. in Lakh)	
	As at March 31, 2023	As at March 31, 2022
Current and non-current borrowings	27,172.38	14,830.92
Less: Cash and cash equivalents	(189.49)	(1,620.51)
Interest payable	163.20	56.59
<b>Net debt</b>	<b>27,146.09</b>	<b>13,267.00</b>

Particulars	Cash and cash equivalents	Current & Non-current borrowings	Interest payable	Total
<b>Net debt as at April 1, 2021</b>	(28.93)	4,218.54	1.58	4,191.19
Cash flows	(1,591.58)	10,414.21	-	8,822.63
Other non-cash movements	-	198.17	-	198.17
- fair value adjustments	-	-	-	-
Interest expense (borrowing cost capitalized)	-	-	593.94	593.94
Interest paid	-	-	(538.93)	(538.93)
<b>Net debt as at March 31, 2022</b>	<b>(1,620.51)</b>	<b>14,830.92</b>	<b>56.59</b>	<b>13,267.00</b>
Cash flows	1,431.02	12,128.48	-	13,559.50
Other non-cash movements	-	212.34	-	212.34
- fair value adjustments	-	0.64	-	0.64
Interest expense (borrowing cost capitalized)	-	-	1,359.94	1,360.58
Interest paid	-	-	(1,253.33)	(1,253.33)
<b>Net debt as at March 31, 2023</b>	<b>(189.49)</b>	<b>27,172.38</b>	<b>163.20</b>	<b>27,146.09</b>

**14.0 Government grants\***

Particulars	(Rs. in Lakh)	
	As at March 31, 2023	As at March 31, 2022
<b>At the beginning of the year</b>	473.50	-
Received during the year	118.38	473.50
Released to the statement of profit and loss	-	-
<b>At the end of the year</b>	<b>591.88</b>	<b>473.50</b>
<b>Total</b>	<b>591.88</b>	<b>473.50</b>

**14.1 Current****14.2 Non-current**

\* There are unfulfilled export commitments of Rs. 12,906.05 Lakh (Previous year Rs. 10,029.01 Lakh) as at the balance sheet date arising due to duty free imports under the EPCG Scheme.

**15.0 Trade payables**

Particulars	(Rs. in Lakh)	
	As at March 31, 2023	As at March 31, 2022
Trade payables	-	-
- Total Outstanding dues of micro enterprises and small enterprises	-	-
- Total outstanding dues of creditors other than micro enterprises and small enterprises	467.66	-
<b>Total</b>	<b>467.66</b>	<b>-</b>

**Note:**

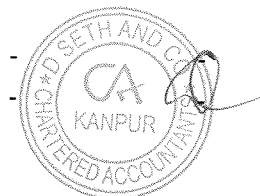
- a) Refer note 32.0 for information about liquidity risk and market risk of trade payables.  
b) Refer note 35.0 for ageing schedule of trade payables.

**c) Dues to micro and small enterprises:**

The disclosure pursuant to Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED Act') are as follows:

Particulars	As at March 31, 2023	As at March 31, 2022
a) The principal amount remaining unpaid to any supplier at the end of the year	-	-
b) Interest due remaining unpaid to any supplier at the end of the year	-	-
c) The amount of interest paid by the buyer in terms of Section 16 of the MSMED Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during the year.	-	-
d) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act, 2006	-	-
e) The amount of interest accrued and remaining unpaid at the end of each accounting year	-	-
f) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprises, for the purpose of disallowance of a deductible expenditure under section 23 of the MSMED Act, 2006	-	-

d) Disclosure of payable to vendors as defined under the MSMED Act, 2006 is based on the information available with the Company regarding the status of registration of such vendors under the said Act, as per the intimation received from them on requests made by the



Muskan Naggo

**16.0 Provisions**

(Rs. in Lakh)

Particulars	As at	As at
	March 31, 2023	March 31, 2022
<b>Employee Benefits</b>		
16.1 <b>Non-Current</b>		
Leave obligations	15.48	6.54
Gratuity (refer Note no. 25.1)	25.31	17.01
<b>Total</b>	<b>40.79</b>	<b>23.55</b>
16.2 <b>Current</b>		
Leave obligations	5.34	3.80
Gratuity (refer Note no. 25.1)	1.31	0.95
<b>Total</b>	<b>6.65</b>	<b>4.75</b>

**17.0 Other Current Financial Liabilities**

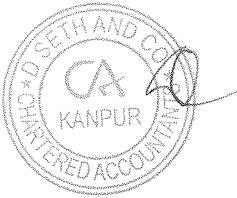
(Rs. in Lakh)

Particulars	As at	As at
	March 31, 2023	March 31, 2022
Creditors for capital expenditure	1,186.37	257.92
Interest accrued	163.20	56.59
Other payables	92.47	51.45
<b>Total</b>	<b>1,442.04</b>	<b>365.96</b>

**18.0 Other Current Liabilities**

(Rs. in Lakh)

Particulars	As at	As at
	March 31, 2023	March 31, 2022
Advances from customers	11.24	-
Statutory dues payables	22.10	7.44
<b>Total</b>	<b>33.34</b>	<b>7.44</b>



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## GANESHA ECOPET PRIVATE LIMITED

## Notes to the financial statements for the year ended March 31, 2023

## 19.0 Other Income

Particulars	(Rs. in Lakh)	
	For the year ended March 31, 2023	For the year ended March 31, 2022
Interest Income	0.53	-
<b>Total</b>	<b>0.53</b>	<b>-</b>

## 20.0 Finance Costs

Particulars	(Rs. in Lakh)	
	For the year ended March 31, 2023	For the year ended March 31, 2022
Bank Charges	1.08	0.11
<b>Total</b>	<b>1.08</b>	<b>0.11</b>

## 21.0 Other Expenses

Particulars	(Rs. in Lakh)	
	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>Administrative Expenses</b>		
Rent (refer note 27.0)	2.40	2.20
Legal and professional fee	1.50	1.68
Interest on others	0.16	0.02
Electricity expenses (office)	0.91	0.67
Payment to auditor (refer details below)	2.15	2.12
Miscellaneous expenses	12.78	2.56
<b>Total</b>	<b>19.90</b>	<b>9.25</b>
<b>Break-up of payment to auditor:</b>		
<b>As auditor:</b>		
- Audit fee	2.00	2.00
- Limited review fee	0.15	0.12
<b>Total</b>	<b>2.15</b>	<b>2.12</b>

## 22.0 Tax expense

## The major components of income-tax expense are as under:

Particulars	(Rs. in Lakh)	
	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>Profit and loss section</b>		
<b>Current tax</b>		
In respect of current year	-	-
In respect of earlier years	(0.06)	(0.01)
<b>Sub-total</b>	<b>(0.06)</b>	<b>(0.01)</b>
<b>Deferred tax Credit</b>		
Relating to origination and reversal of temporary differences	(3.51)	(5.93)
<b>Sub-total</b>	<b>(3.51)</b>	<b>(5.93)</b>
<b>Income tax expense reported in the statement of profit and loss</b>	<b>Total</b>	<b>(5.94)</b>

## Reconciliation of tax expense and the accounting profit multiplied by applying the statutory income-tax rate to the profit before tax is as under:

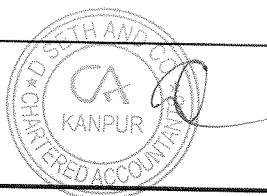
Particulars	(Rs. in Lakh)	
	For the year ended March 31, 2023	For the year ended March 31, 2022
Accounting loss before income-tax	(20.45)	(9.36)
Enacted income-tax rate applicable to the Company*	17.160%	17.160%
<b>Current tax expense on profit before tax at the enacted income-tax rate</b>		
Adjustments in respect of current income-tax of earlier years	-	-
Recognition of net deferred tax assets	(0.06)	(0.01)
<b>Total income-tax expense</b>	<b>(3.51)</b>	<b>(5.93)</b>
	<b>(3.57)</b>	<b>(5.94)</b>

Because of losses in current and earlier years, there is no tax liability and hence effective tax rate is Nil.

\* Company has opted alternate tax regime as per the provisions of Section 115BAB of Income Tax Act, 1961 and accordingly concessional tax rate is applicable.

## 23.0 Earnings per share

Particulars	(Rs. in Lakh)	
	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>Earning per share has been computed as under:</b>		
Loss for the year (Rs. in Lakh)	(16.88)	(3.42)
Weighted average number of equity shares outstanding (Numbers)	1,03,83,562	1,00,00,000
Earnings per share (Rs.) - Basic (face value of Rs. 10 per share)	(0.16)	(0.03)
Earnings per share (Rs.) - Diluted (face value of Rs. 10 per share)	(0.16)	(0.03)



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20/03/23

GANESHA ECOPET PRIVATE LIMITED

Notes to the financial statements for the year ended March 31, 2023

24.0 Assets pledged as security

The carrying amount of assets pledged as security for current and non-current borrowings are:

Particulars	(Rs. in Lakh)	
	As at March 31, 2023	As at March 31, 2022
<b>Non-current assets</b>		
Property, plant and equipment	1,396.36	1,301.26
Capital work-in-progress	23,209.38	11,763.17
Intangible assets	2.42	3.19
Other financial assets	45.07	61.67
Other non-current assets	2,462.45	1,901.36
<b>Total non-current assets pledged as security</b>	<b>27,115.68</b>	<b>15,030.65</b>
<b>Current assets</b>		
<b>Financial assets</b>		
Trade receivables	302.89	-
Cash and cash equivalents	189.49	1,620.51
Other financial assets	3.36	2.18
<b>Non-financial assets</b>		
Inventories	2,211.25	-
Other current assets	1,377.11	18.21
<b>Total current assets pledged as security</b>	<b>4,084.10</b>	<b>1,640.90</b>
<b>Total assets pledged as security</b>	<b>31,199.78</b>	<b>16,671.55</b>

25.0 Gratuity and other post-employment benefit plans

25.1 Gratuity

The Company provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/ termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied for the numbers of years of services. The gratuity plan is an unfunded plan.

Movement in the present value of the defined benefit obligation for gratuity are as follows:

Particulars	(Rs. in Lakh)	
	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>Opening defined benefit obligation</b>	<b>17.96</b>	<b>1.94</b>
Liability transferred from parent company	0.29	3.62
Current service cost	12.12	9.51
Interest expense	1.20	0.24
Benefits paid	-	-
Actuarial (gains) / losses arising from changes in demographic assumptions	-	-
Actuarial (gains) / losses arising from changes in financial assumptions	(1.15)	(0.42)
Actuarial (gains) / losses arising from experience adjustments	(3.80)	3.07
<b>Closing defined benefit obligation</b>	<b>26.62</b>	<b>17.96</b>

Net liability recognized in balance sheet:

Particulars	(Rs. in Lakh)	
	As at March 31, 2023	As at March 31, 2022
Present value of defined benefit obligation	26.62	17.96
Fair value of plan assets	-	-
Funded status (deficit)	(26.62)	(17.96)
<b>Net liability recognized in balance sheet</b>	<b>26.62</b>	<b>17.96</b>
<b>Break-up of defined benefit obligation</b>		
Current liability	1.31	0.95
Non-current liability	25.31	17.01
<b>Total</b>	<b>26.62</b>	<b>17.96</b>

Net defined benefit expense recognized as employee benefit expenses in pre-operative expenses pending allocation:

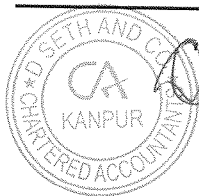
Particulars	(Rs. in Lakh)	
	For the year ended March 31, 2023	For the year ended March 31, 2022
Current service cost	12.12	9.51
Net interest cost	1.20	0.24
<b>Total</b>	<b>13.32</b>	<b>9.75</b>

Remeasurement (gain) / loss recognized as pre-operative expenses pending allocation:

Particulars	(Rs. in Lakh)	
	For the year ended March 31, 2023	For the year ended March 31, 2022
Actuarial (gains) / losses arising from changes in demographic assumptions	-	-
Actuarial (gains) / losses arising from changes in financial assumptions	(1.15)	(0.42)
Actuarial (gains) / losses arising from experience adjustments	(3.80)	3.07
<b>Total</b>	<b>(4.95)</b>	<b>2.65</b>

The principal assumptions used in determining gratuity as shown below:

Particulars	(Rs. in Lakh)	
	As at March 31, 2023	As at March 31, 2022
Discount rate	7.30%	6.70%
Salary escalation rate	7.00%	7.00%
Withdrawal rate	15.00%	15.00%
Mortality	Published rates under the Indian Assured Lives Mortality (2012-14) Ultimate table	Published rates under the Indian Assured Lives Mortality (2012-14) Ultimate table



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## Notes to the financial statements for the year ended March 31, 2023

**Sensitivity analysis**  
The sensitivity of the defined benefit obligation to changes in the key assumptions is as under: (Rs. in Lakh)

Particulars	Year	Change in assumption	Change due to increase in assumption	Change due to decrease in assumption
Discount rate	March 31, 2023	1.00%	(1.76)	1.97
	March 31, 2022	1.00%	(1.28)	1.45
Salary escalation rate	March 31, 2023	1.00%	1.95	(1.78)
	March 31, 2022	1.00%	1.41	(1.27)
Withdrawal rate	March 31, 2023	1.00%	Negligible	Negligible
	March 31, 2022	1.00%	Negligible	Negligible

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligations as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated. Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period. There is no change in the method of valuation for the prior periods.

**Maturity profile of demand of defined benefit obligation is as under:** (Rs. in Lakh)

Particulars	As at	As at
	March 31, 2023	March 31, 2022
Within 1 year	1.31	0.95
1 - 2 Year	2.06	0.84
2 - 3 Year	0.86	0.76
3 - 4 Year	2.82	1.37
4 - 5 Year	3.16	2.03
Above 5 years	16.41	12.01
<b>Total</b>	<b>26.62</b>	<b>17.96</b>

**Fair value and changes in fair value of plan assets during the year ended March 31, 2023:**

Gratuity obligations are not funded.

The estimates of future salary increases considered in actuarial valuation takes into account inflation, seniority, promotion and other relevant

**25.2 Defined contribution plans**

The Company also has certain defined contribution plans, such as provident fund, family pension fund and employee's state insurance for benefit of employees. Contributions are made to funds administered by the Government. The obligation of the Company is limited to the amount contributed and it has no further contractual nor any constructive obligation. The expense recognized during the year towards contribution to defined contribution plans is Rs. 3.30 Lakh (March 31, 2022: Rs. 1.61 Lakh) included under pre-operative expenses pending allocation.

**25.3 Leave obligation**

The Company provides for leave obligations based on actuarial valuation carried at the year end using the projected unit credit method.

**26.0 Commitments and contingencies (to the extent not provided for)**

Particulars	As at	As at
	March 31, 2023	March 31, 2022
<b>26.1 Commitments</b>		
a) Estimated amount of contracts remaining to be executed on capital account (net of advances)	9,023.88	2,744.82
b) Undertaking given by the Company to fulfil quantified exports in respect of capital goods imported under the Export Promotion Capital Goods Scheme of the Government of India.	12,906.05	10,029.01
<b>26.2 Contingent liabilities</b>	-	-

**27.0 Leases - short term leases**

The Company has certain operating leases primarily consisting of leases for office premise and staff guest house having different lease terms. Such leases are generally with the option of renewal against increased rent and premature termination clause. Rental expense recorded for short-term leases is Rs. 6.11 Lakh for the year ended March 31, 2023 (March 31, 2022: Rs. 6.07 Lakh).

The Company does not have any lease liability and thus there are no liquidity risks.

**28.0 Details of corporate social responsibility (CSR) expenditure**

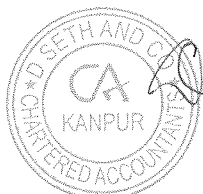
Provisions of Section 135 of the Companies Act, 2013 are not applicable in view of losses since inception of the Company.

**29.0 Segment information****29.1 Primary segment (by business segment):**

Ind AS 108 establishes standards for the way that the Company report information about operating segments and related disclosures about products and services, geographic areas and major customers. The Company has yet to commence its commercial operations hence disclosure regarding primary business segment is not required under IND AS-108 on "Operating Segments".

**29.2 Secondary segment (by geographical demarcation):**

Since the company has not yet started its commercial operations and in absence of revenues, it is not applicable.



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**GANESHA ECOPET PRIVATE LIMITED**

Notes to the financial statements for the year ended March 31, 2023

**30.0 Related party disclosures**

**30.1 Name of related parties and description of relationship:**

**A. Key management personnel**

Shri Rajesh Sharma	Managing Director
Shri Vishnu Dutt Khandelwal	Director
Shri Sharad Sharma	Director
Shri Yash Sharma	Additional Director (appointed w.e.f. October1, 2022)
Shri Gopal Agarwal	Chief Financial Officer (CFO)
Ms. Muskan Maggo	Company Secretary

**B. Relatives of Key management personnel**

Mrs. Kunjika Kaushal	Wife of Mr. Yash Sharma, Director (From August 4, 2022 to February 18, 2023)
Mr. Harsh Sharma	Son of Shri Rajesh Sharma ,Managing Director (w.e.f. August 4, 2022)

**C. Parent Company**

Ganesha Ecosphere Limited

**D. Fellow Subsidiary**

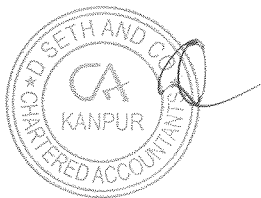
Ganesha Ecotech Private Limited

**30.2 Summary of transactions:**

Particulars	Year ended	Key management personnel	Relatives of key management personnel	(Rs. in Lakh)	
				Parent Company	Fellow Subsidiary
<b>Transaction during the year</b>					
Salary (Pre-operative expenses)	March 31, 2023	8.42	8.22	-	-
	March 31, 2022	8.04	-	-	-
Reimbursement of capital & other expenditure (net)	March 31, 2023	-	-	-	-
	March 31, 2022	-	-	1.10	-
Transfer of employees' super annuation benefits on transfer/ deputation from parent company	March 31, 2023	-	-	0.39	-
	March 31, 2022	-	-	3.81	-
Interest paid (borrowing cost) (Pre-operative Expenses)	March 31, 2023	-	-	259.60	-
	March 31, 2022	-	-	75.71	-
Dividend & Redemption Premium on Non-Convertible Cumulative Redeemable Preference Shares (borrowing cost) (Pre-operative expenses)	March 31, 2023	-	-	212.34	-
	March 31, 2022	-	-	198.17	-
Purchase of Property, Plant & Equipment	March 31, 2023	-	-	7.26	-
	March 31, 2022	-	-	38.47	-
Purchase of Raw Material (Pre-operative expenses)	March 31, 2023	-	-	120.62	2,987.42
	March 31, 2022	-	-	-	-
Payment for Management Services (Pre-operative expenses)	March 31, 2023	-	-	36.00	-
	March 31, 2022	-	-	66.35	-
Sale of Finished Goods (Pre-operative expenses)	March 31, 2023	-	-	1,117.55	-
	March 31, 2022	-	-	-	-
Equity share capital subscription received	March 31, 2023	-	-	500.00	-
	March 31, 2022	-	-	-	-
1% Non-Convertible Cumulative Redeemable Preference share subscription received	March 31, 2023	-	-	3,500.00	-
	March 31, 2022	-	-	-	-
Unsecured loan accepted	March 31, 2023	-	-	5,837.00	-
	March 31, 2022	-	-	5,050.00	-
Unsecured loan repaid	March 31, 2023	-	-	3,927.00	-
	March 31, 2022	-	-	5,420.00	-
<b>Amount outstanding at balance sheet date</b>					
Unsecured loan outstanding	March 31, 2023	-	-	2,675.00	-
	March 31, 2022	-	-	765.00	-
1% Non-Convertible Cumulative Redeemable Preference Shares	March 31, 2023	-	-	6,500.00	-
	March 31, 2022	-	-	3,000.00	-
Dividend & Redemption Premium on 1% CRPS due	March 31, 2023	-	-	494.05	-
	March 31, 2022	-	-	281.71	-
Interest payable	March 31, 2023	-	-	92.74	-
	March 31, 2022	-	-	9.37	-
Amounts payable	March 31, 2023	0.65	0.20	-	418.15
	March 31, 2022	0.49	-	-	-
Amount receivable	March 31, 2023	-	-	37.70	-
	March 31, 2022	-	-	-	-

30.3 The Company has not given/ provided any guarantee/ collaterals for and on behalf of the aforementioned related parties.

30.4 No amount has been written off or written back during the year in respect of debts due from or to related parties.



*Muskan Maggo*

## Notes to the financial statements for the year ended March 31, 2023

## 31.0 Financial instruments

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

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

- A. The fair values of derivatives such as forward/ derivative contracts are on mark to market basis as per bank.
- B. The Company has adopted effective interest rate for calculating interest expense. Processing fees and transaction costs relating to each loan has been considered for calculating effective interest rate. The fair values of non-current borrowings are classified as level 3 in the fair value hierarchy due to the use of unobservable inputs including own credit risk.
- C. Loans, investments and other non-current financial assets are evaluated by the Company based on parameters such as interest rates and individual credit worthiness of the counterparty. Based on this evaluation, allowances are taken into account for expected losses of these receivables. The fair value of loans, investments and other non-current financial assets has been considered as equal to their carrying amount. These fair values are classified as level 3 in the fair value hierarchy due to the inclusion of unobservable inputs including counter party credit risk.
- D. Fair values of cash and cash equivalents, bank balances, current loans, other current financial assets, trade payables and other current financial liabilities are considered to be the same as their carrying amount due to short-term maturities of these instruments.

**Fair value hierarchy**

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

Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

**Financial assets**

(Rs. in Lakh)

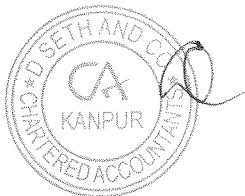
Particulars	Note reference as mentioned above	Fair value hierarchy	As at March 31, 2023		As at March 31, 2022	
			Carrying amount	Fair value	Carrying amount	Fair value
<b>1. Financial assets designated at fair value through profit and loss (FVTPL)</b>			-	-	-	-
<b>2. Financial assets designated at fair value through other comprehensive income (FVTOCI)</b>			-	-	-	-
<b>3. Financial assets designated at amortized cost</b>						
a) Trade receivables	D	Level 3	302.89	302.89	-	-
b) Cash and cash equivalents	D	Level 3	189.49	189.49	1,620.51	1,620.51
c) Other financial assets	C, D	Level 3	48.43	48.43	63.85	63.85
<b>Total</b>			<b>540.81</b>	<b>540.81</b>	<b>1,684.36</b>	<b>1,684.36</b>

**Financial liabilities**

(Rs. in Lakh)

Particulars	Note reference as mentioned above	Fair value hierarchy	As at March 31, 2023		As at March 31, 2022	
			Carrying amount	Fair value	Carrying amount	Fair value
<b>1. Financial liabilities designated at fair value through pre-operative expenses pending allocation</b>	B	Level 3	6,994.05	6,994.05	3,281.71	3,281.71
<b>2. Financial liabilities designated at fair value through other comprehensive income</b>			-	-	-	-
<b>3. Financial liabilities designated at amortized cost</b>						
a) Borrowings	B, D	Level 3	20,178.33	20,178.33	11,549.21	11,549.21
b) Trade payables	D	Level 3	467.66	467.66	-	-
b) Other financial liabilities	D	Level 3	1,442.04	1,442.04	365.96	365.96
<b>Total</b>			<b>29,082.08</b>	<b>29,082.08</b>	<b>15,196.88</b>	<b>15,196.88</b>

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



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## Notes to the financial statements for the year ended March 31, 2023

**32.0 Financial risk management**

The Company realizes that risks are inherent and integral aspect of any business. The primary focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance. The Company's financial risk management is an integral part of how to plan and execute its business strategies. The Company's senior management oversees the management of these risks.

**The Company has exposure to the following risks (arising from financial instruments):**

- Credit risk
- Liquidity risk
- Market risk

**A. Credit risk**

Credit risk arises from the possibility that the counter party may not be able to settle their obligations as agreed. The Company is exposed to credit risk mainly from trade receivables and other financial assets.

The Company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis through each reporting period. To assess whether there is a significant increase in credit risk, the Company compares the risk of default occurring on assets as at the reporting date with the risk of default as at the date of initial recognition.

Trade receivables are typically unsecured and derived from revenue earned from customers located in India and abroad. Credit risk is managed by the Company through customer assessment, credit approvals, establishing credit limits and continuously monitoring the credit worthiness of customers to which the Company grants credit terms in the normal course of business. The Company measures the expected credit loss of trade receivables based on historical trend, industry practice and the business environment in which the entity operates. The maximum exposure to credit risk at the reporting date is the carrying value of trade receivables and other financial assets.

Other financial assets are considered to be of good quality and there is no significant credit risk.

**B. Liquidity risk**

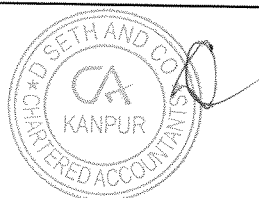
Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient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

**a) Financing arrangements**

The Company is in the phase of implementing its manufacturing unit at Warangal and full tie up for entire project cost is in place in the form of term loans from banks and promoters' contribution from its parent company. Required working capital limits are also available from banks. Company believes that it has sufficient liquidity to meet its current requirements. Accordingly, no liquidity risk is perceived.

**b) Contractual maturities of financial liabilities**

(Rs. in Lakh)					
As at March 31, 2023	0-1 years	1-2 years	3-5 years	More than 5 years	Total
Non-current borrowings (including current maturities)	577.85	1,085.57	4,309.68	20,198.64	26,171.74
Current borrowings	1,000.64	-	-	-	1,000.64
Trade payables	467.66	-	-	-	467.66
Other financial liabilities	1,442.04	-	-	-	1,442.04
<b>Total</b>	<b>3,488.19</b>	<b>1,085.57</b>	<b>4,309.68</b>	<b>20,198.64</b>	<b>29,082.08</b>
As at March 31, 2022	0-1 years	1-2 years	3-5 years	More than 5 years	Total
Non-current borrowings (including current maturities)	125.51	373.57	1,610.75	12,721.09	14,830.92
Current borrowings	-	-	-	-	-
Trade payables	-	-	-	-	-
Other financial liabilities	365.96	-	-	-	365.96
<b>Total</b>	<b>491.47</b>	<b>373.57</b>	<b>1,610.75</b>	<b>12,721.09</b>	<b>15,196.88</b>



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### C. Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of fluctuation in market prices. These comprise three types of risk i.e., currency rate, interest rate and other price related risks. Financial instruments affected by market risk include borrowings, loans given, deposits, foreign currency receivables and payables and derivative financial instruments such as forward contracts. Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Regular interaction with bankers, intermediaries and the market participants help us to mitigate such risk.

#### i) Foreign currency risk

Company does not have any exposure to foreign currency for borrowings and hence not exposed to this risk.

#### ii) Interest rate risk

The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's debt obligation at floating interest rates.

#### Exposure to interest rate risk:

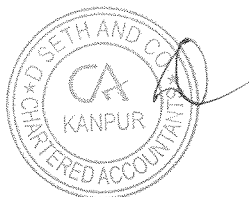
Particulars	As at March 31, 2023		As at March 31, 2022	
	(Rs. in Lakh)	% of total	(Rs. in Lakh)	% of total
Fixed rate borrowings	9,669.05	35.58%	4,046.71	27.29%
Variable rate borrowings	17,503.33	64.42%	10,784.21	72.71%
<b>Total</b>	<b>27,172.38</b>	<b>100.00%</b>	<b>14,830.92</b>	<b>100.00%</b>

#### Interest rate sensitivity on variable rate borrowings

As the project is under implementaton and borrowing cost is being capitalized, interest rate sensitivity is not making any effect on statement of profit and loss.

### 33.0 Capital risk management

The Company aims to manage its capital efficiently so as to safeguard its ability to continue as a going concern and to optimise returns to its shareholders. 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's, creditor's and market's confidence and to sustain future development and growth of its business. The Company will take appropriate steps in order to maintain, or if necessary adjust, its capital structure in consonance with its long term strategic plans.



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## Notes to the financial statements for the year ended March 31, 2023

## 34.0 Trade receivables ageing schedule

As at March 31, 2023

Particulars	Outstanding for following periods from due date of payment						Total
	Not due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed trade receivables							
- considered good	108.51	139.65	54.73	-	-	-	302.89
- considered doubtful	-	-	-	-	-	-	-
	<b>108.51</b>	<b>139.65</b>	<b>54.73</b>	-	-	-	<b>302.89</b>
Less: Allowance for doubtful debts							-
<b>Total</b>							<b>302.89</b>

Note: There were no trade receivables as at March 31, 2022, hence trade receivables ageing is not applicable.

## 35.0 Trade payables ageing schedule

As at March 31, 2023

Particulars	Outstanding for following periods from due date of payment					Total
	Not due	Less than one year	1-2 years	2-3 years	More than 3 years	
i) MSME	-	-	-	-	-	-
ii) Other than MSME	244.32	223.34	-	-	-	467.66
iii) Disputed dues - MSME	-	-	-	-	-	-
iv) Disputed dues - other than MSME	-	-	-	-	-	-
<b>Total</b>	<b>244.32</b>	<b>223.34</b>	<b>0.00</b>	<b>0.00</b>	-	<b>467.66</b>

Note: There were no trade payables as at March 31, 2022, hence trade payables ageing is not applicable.

## 36.0 Analytical ratios

Ratios	Numerator	Denominator	FY 2022-23	FY 2021-22	% variance	Reason for variance
a. Current ratio #						
b. Debt-equity ratio*	Total debt (borrowings)	Total equity	2.39	2.72	-12%	N.A.
c. Debt-service coverage ratio #						
d. Return on equity #						
e. Inventory turnover ratio #						
f. Trade receivables turnover ratio #						
g. Trade payables turnover ratio #						
h. Net capital turnover ratio #						
i. Net profit ratio #						
j. Return on capital employed #						
k. Return on investment #						

\* 1% Non-convertible cumulative redeemable preference shares of Rs. 6,994.05 Lakh (March 31, 2022: Rs. 3,281.71 Lakh), allotted to parent company but classified as financial liability as per Ind AS-32, have been excluded from borrowings and added to total equity for calculation of debt-equity ratio.

# Company's project at Warangal is at implementation stage (and some part at trial run stage) and presently there is no revenue generating activities. These ratios, being measurement of operational and profitability efficiencies are, therefore, not applicable.

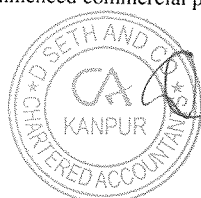
## 37.0 Borrowings based on security of current assets

The Company has obtained borrowings from a bank on the basis of security of current assets wherein the quarterly returns/ statements of current assets as filed with bank are in agreement with the books except the followings:

Name of Bank	Quarter ended	Securities	As per the books of accounts	As reported in quarterly returns	Difference	Reasons for material discrepancies
N.A.	June 30, 2022		N.A.	N.A.		
N.A.	September 30, 2022		N.A.	N.A.		
N.A.	December 31, 2022		N.A.	N.A.		
Federal Bank	March 31, 2023	Inventories and trade receivables	2514.14	2496.96	17.18	Negligible

## 38.0 Events occurring after the balance sheet date

Company has commenced commercial production of Recycled Pet Chips and Recycled Filament Yarn (FDY) w.e.f. April 01, 2023 at its Warangal plant.



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### 39.0 Other statutory information

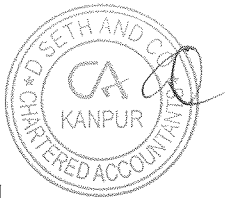
- (i) The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property under the Benami Transactions (Prohibition) Act, 1988 and the Rules made thereunder.
- (ii) The Company does not have any transactions with struck off companies under Section 248 of the Companies Act, 2013 or Section 560 of the Companies Act, 1956.
- (iii) The Company does not have any charges or satisfaction which is yet to be registered with Registrar of Companies beyond the statutory period.
- (iv) The Company has not traded or invested in Crypto Currency or Virtual Currency during the financial year.
- (v) The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding (whether recorded in writing or otherwise) that the Intermediary shall:
- (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or
- (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- (vi) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
- (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries), or
- (b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (vii) The Company does not have any transactions which are not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income-tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income tax Act, 1961).
- (viii) The Company is regular in paying its dues and has not been declared as wilful defaulter by any bank or financial institution (as defined under the Companies Act, 2013) or consortium thereof or other lender in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India.
- (ix) The Company has not entered into any scheme of arrangement, during the year, which has any impact on financial results or position of the company.
- (x) The Company has not revalued any of its property, plant and equipment or intangible assets during the year.
- (xi) The Company has not granted any loans or advances in the nature of loans to promoters, directors, KMPs and the related parties (as defined under Companies Act, 2013) either severally or jointly with any other person that are repayable on demand or without specifying any terms or period of repayment.
- (xii) The Company has used the borrowings from banks for the purpose for which it was taken.

40.0 Previous year figures have been regrouped/ rearranged, wherever considered necessary to conform to current year's classification.

As per our report of even date attached

For D SETH AND CO  
Chartered Accountants  
Firm Reg. No. 028869C

Deepak Seth\*  
Proprietor  
Membership No.: 073081  
Place: Kanpur  
Date: 24 MAY 2023



For and on behalf of the Board of Directors

Sharad Sharma  
Chairman  
DIN: 00383178

Gopal Agarwal  
Chief Financial Officer  
FCA: 075080

Muskan Maggo  
Company Secretary  
ACS: 56112