

DHARMESH PARIKH & CO.

CHARTERED ACCOUNTANTS

303/304, "Milestone", Nr. Drive-in-Cinema, Opp.T.VTower, Thaltej,
Ahmedabad-380 054. Phone: 91-79-27474466 Fax: 91-79-27479955

Independent Auditor's Report

To the Members of Wardha Solar (Maharashtra) Private Limited

Report on the audit of the Standalone Financial Statements

We have audited the accompanying Standalone Financial Statements of Wardha Solar (Maharashtra) Private Limited ("the Company"), which comprise the Balance Sheet as at 31st March, 2020, the Statement of Profit and Loss (including other comprehensive income), the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information (herein after referred to as "Standalone Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone 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 Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2020, the loss and total comprehensive loss, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone 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 independence requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made there under, 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 audit opinion on the standalone financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Description of Key Audit Matters

1. Adoption of Ind AS 116, Leases (Refer Note 3(q), 4.2 and 34 to the financial statements)

| The Key audit matters | How the matter was addressed in our audit |
|---|--|
| <p>Effective 1 April 2019, Ind AS 116 replaces the existing standard Ind AS 17 and specifies how an entity will recognize, measure, present and disclose leases.</p> <p>The standard provides a single lease accounting model, requiring lessees to recognize a right of use asset ("ROU asset") and a corresponding liability on the lease commencement date. It provides exemption for leases with lease term of 12 months or less or the underlying asset has a low value.</p> <p>The Company has applied Ind AS 116. We considered the first-time application of the standard as a key audit matter due to the judgement needed in establishing the underlying key assumptions.</p> | <p>Our procedures included the following:</p> <ul style="list-style-type: none">Assessing the accounting regarding leases with reference to consistency with the definitions of Ind AS 116. This includes factors such as lease term, discount rate and measurement principles;Testing completeness of the lease data as at 31 March 2019 by reconciling the Company's operating lease commitments to the underlying data used in computing the ROU asset and Lease liability;Assessing the transition to Ind AS 116 by verifying consistency with the definitions and practical expedients of Ind AS 116; |

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| | |
|--|--|
| | <ul style="list-style-type: none"> • Examining the Company's judgement in establishing the underlying assumptions. This includes assessing the discount rate used in determining the lease liability; • Testing a sample of lease agreements, selected on a random basis, to understand the terms and conditions of the lease arrangements entered with lessors and possible accounting and disclosure implications thereof; • Evaluating the application of Ind AS 116 by testing the resulting impact on the Balance Sheet and Statement of Profit and Loss; • Focusing on the adequacy of disclosures related to adoption of Ind AS 116 including key assumptions in the notes to the financial statements. |
|--|--|

2. Change in method of charging depreciation and amortization expense for Property, Plant & Equipment and Intangible Assets (Refer Note 47 to the financial statements)

| The Key audit matters | How the matter was addressed in our audit |
|---|--|
| <p>Effective 1 April 2019, method of providing depreciation and amortization for Property, Plant & Equipment and Intangible Assets by the Company has been changed to Straight Line Method from Written Down Value Method. This change is aligned with the change in Company's expectation of the pattern of consumption of the economic benefits arising from these assets in future as against the past and technical evaluation.</p> <p>The Company has accounted for this change in estimate prospectively i.e. the carrying value of Property, Plant & Equipment and Intangible Assets as at 1 April 2019 will be depreciated/amortised over the remaining useful life of each such asset.</p> <p>The audit of change in method of charging depreciation and amortization required our significant attention to evaluate Company's expectation of change in the pattern of consumption of the economic benefits arising from these assets. Therefore, we have identified change in the method of charging depreciation and amortization as key audit matter.</p> | <p>Our procedures included the following:</p> <ul style="list-style-type: none"> • Challenging the Company's assessment underlying the change in expected pattern of consumption of the future economic benefits arising from Property, Plant & Equipment and Intangible assets; • Comparing method of depreciation applied by the Company with other companies in the same industry; • Checking the accuracy and completeness of Company's accounting entry of depreciation and amortization in accordance with the revised estimate; • Assessing whether the accounting treatment and underlying working pursuant to the change in this estimate was in accordance with the relevant guidance under the Indian Accounting Standards. |

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Independent Auditor's Report

To the Members of Wardha Solar (Maharashtra) Private Limited (Continue)

Other Information

The Company's board of directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexure to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the financial statements and our auditor's report thereon.

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

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

Management's Responsibility for the Standalone 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 and presentation of these Standalone Financial Statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the applicable Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

The Board of Directors are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibility

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

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Independent Auditor's Report

To the Members of Wardha Solar (Maharashtra) Private Limited (Continue)

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls 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 standalone 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 standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

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

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in "Annexure A" statement on the matters specified in the paragraph 3 and 4 of the Order, to the extent applicable.

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Independent Auditor's Report

To the Members of Wardha Solar (Maharashtra) Private Limited (Continue)

2. As required by section 143(3) of the Act, we report that:

- a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the 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, the Statement Cash Flows and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
- d) in our opinion, the aforesaid Standalone Financial Statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended;
- e) on the basis of the written representations received from the directors as on 31st March, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2020 from being appointed as a director in terms of Section 164(2) of the Act;
- f) With respect to the adequacy of the internal financial 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 the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations as at 31 March 2020 on its financial position in its financial statements - Refer Note 33 to the financial statements;
 - ii. The Company has disclosed the impact of long-term contracts including derivative contracts for which there were any material foreseeable losses. – Refer Note 36 to the financial statements;
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

3. **With respect to the matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:**

According to the information and explanations given to us and on the basis of our examination of the records of the Company, managerial remuneration has not been paid /provided except for Director Sitting Fees. Accordingly, reporting under section 197(16) of the Act is not applicable.

Place: Ahmedabad
Date: 2nd May, 2020

For, **DHARMESH PARIKH & CO.**
Chartered Accountants
Firm Reg. No. 112054W

Gothi Kantilal
Govabhai

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Govabhai
Date: 2020.05.02 22:49:01 +05'30'

Kanti Gothi
Partner
Membership No. 127664
UDIN - 20127664AAAABU5117

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Annexure - A to the Independent Auditor's Report

RE: Wardha Solar (Maharashtra) Private Limited

(Referred to in Paragraph 1 of our Report of even date)

The Annexure referred to in our Independent Auditor's Report to the members of the Company on the Standalone Financial Statements for the year ended 31st March, 2020, we report that:

- (i)
 - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - (b) The Company has a regular programme of physical verification of its fixed assets by which all fixed assets are verified by the management in a phased manner over a period of three years. In accordance with this programme, certain fixed assets were verified during the year and no material discrepancies were noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.
 - (c) According to the information and explanations given to us and based on the examination of the registered sale deed / transfer deed / conveyance deed provided to us, we report that, the title deeds of immovable properties are held in the name of the Company.
- (ii) The inventory has been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable. The discrepancies noticed on verification between the physical stock and the book records were not material and have been appropriately dealt with in the books of accounts.
- (iii) According to the information and explanations given to us, the Company has granted unsecured loans to companies covered in the register maintained under Section 189 of the Act. The Company has not granted any loans, secured or unsecured, to firms, Limited Liability Partnerships or other parties.
 - (a) In our opinion, the rate of interest and other terms and conditions on which the loans have been granted to the Companies listed in the register maintained under Section 189 of the Act were not prejudicial to the Company's interest.
 - (b) According to the information and explanations given to us, schedule of repayment of principal and interest has been stipulated for the loans granted to Companies listed in the register maintained under Section 189 of the Act the repayment of principal and interest wherever applicable is regular.
 - (c) There is no overdue amount in respect of loans granted to the companies listed in the register maintained under Section 189 of the Act.
- (iv) In our opinion and according to the information and explanations given to us, the Company has not granted any loans, given any guarantees or provided any securities to the parties covered under Section 185 of the Act. Accordingly, compliance under Section 185 of the Act is not applicable to the Company. According to the information and explanations given to us, the Company is engaged in the business of providing infrastructural facilities and accordingly the provisions of Section 186 (except subsection (1) of Section 186) of the Act are not applicable to the Company. In our opinion, and according to the information and explanations given to us, the Company has not made any investment referred in Section 186(1) of the Act, accordingly paragraph 3(iv) of the Order is not applicable to the Company.
- (v) In our opinion and according to the information and explanations given to us, the Company has not accepted deposits as per the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the rules framed there under. Accordingly, paragraph 3(v) of the Order is not applicable to the Company.

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Annexure - A to the Independent Auditor's Report

RE: Wardha Solar (Maharashtra) Private Limited (Continue)

(Referred to in Paragraph 1 of our Report of even date)

- (vi) We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended, prescribed by the Central Government under Section 148(1) of the Act and are of the opinion, that prima facie, the prescribed cost records have been made and maintained. However, we have not made a detailed examination of such records with a view to determine whether they are accurate or complete.

- (vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/accrued in the books of account in respect of undisputed statutory dues including Provident fund, Employees' state insurance, Income-tax, Goods and Service tax, duty of customs, Cess and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities. As explained to us, the Company did not have any dues on account of Sales tax, Service tax, Value added tax and duty of excise during the current year.

According to the information and explanations given to us, no undisputed amounts payable in respect of Employees' state insurance, Income-Tax, duty of customs, Goods and Service Tax and other material statutory dues were in arrears as at 31 March 2020 for a period of more than six months from the date they became payable.

In respect of Provident Fund, as explained in Note 33 to the standalone financial statements, the management has not accounted any additional liability with respect to Supreme Court's judgment over Provident Fund, considering uncertainty around the timing, manner and extent in which the judgment will be interpreted and applied by the regulatory authorities. Accordingly, we are unable to comment on such Provident Fund arrears, if any with respect to outstanding as at 31 March 2020 for a period of more than six months from the date they become payable.

- (b) According to the information and explanations given to us, there are no dues of Income-Tax, Sales tax, Service tax, Goods and Service tax, duty of customs, duty of excise and Value added tax as at 31 March 2020, which have not been deposited with the appropriate authorities on account of any dispute.
- (viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to its bankers, financial institutions or debenture holders. The Company did not have any outstanding dues towards the government during the year.
- (ix) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) in India during the year. In our opinion and according to the information and explanations given to us, the term loans taken by the Company have been applied for the purpose for which they are raised.
- (x) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the management.
- (xi) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not paid or provided for any managerial remuneration. Accordingly, paragraph 3(xi) of the Order is not applicable to the Company.

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Annexure - A to the Independent Auditor's Report

RE: Wardha Solar (Maharashtra) Private Limited (Continue)

(Referred to in Paragraph 1 of our Report of even date)

- (xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company as prescribed under Section 406 of the Act. Accordingly, paragraph 3(xii) of the Order is not applicable to the Company.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with the provisions of Section 188 and section 177 of the Act where applicable and the details of such related party transactions have been disclosed in the standalone financial statements as required by the applicable Indian Accounting Standards.
- (xiv) According to the information and explanations given to us and based on the examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, paragraph 3(xiv) of the order is not applicable to the Company.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into any non-cash transactions, within the meaning of Section 192 of the Act, with directors or persons connected with them. Accordingly, paragraph 3(xv) of the Order is not applicable to the Company.
- (xvi) In our opinion and according to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, paragraph 3(xvi) of the Order is not applicable to the Company.

Place: Ahmedabad
Date: 2nd May, 2020

For, **DHARMESH PARIKH & CO.**
Chartered Accountants
Firm Reg. No. 112054W

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Gothi Kantilal
Govabhai
Date: 2020.05.02
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Kanti Gothi
Partner
Membership No. 127664
UDIN- 20127664AAAABU5117

DHARMESH PARIKH & CO.

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Annexure – B to the Independent Auditor's Report

RE: Wardha Solar (Maharashtra) Private Limited

(Referred to in Paragraph 2(f) of our Report of even date)

Report on the Internal Financial Controls under Clause (i) of sub-section 3 of section 143 of the Companies Act 2013 (the act).

Opinion

We have audited the internal financial controls over financial reporting of the company as of 31st March, 2020 in conjunction with our audit of the Standalone Financial Statements of the company for the year ended on that date.

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 operating effectively as at 31st March 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Management's Responsibilities for Internal Financial Controls

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

Auditors' Responsibility

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

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

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Annexure – B to the Independent Auditor's Report

RE: Wardha Solar (Maharashtra) Private Limited (continue)

(Referred to in Paragraph 2(f) of our Report of even date)

Meaning of Internal Financial Controls over Financial Reporting

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

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Place: Ahmedabad
Date: 2nd May, 2020

For, **DHARMESH PARIKH & CO.**
Chartered Accountants
Firm Reg. No. 112054W

Gothi
Kantilal
Govabhai

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Govabhai
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Kanti Gothi
Partner
Membership No. 127664
UDIN- 20127664AAAABU5117

WARDHA SOLAR (MAHARASHTRA) PRIVATE LIMITED

Balance Sheet as at 31st March, 2020



| Particulars | Notes | As at 31st March, 2020 (₹ In Lakhs) | As at 31st March, 2019 (₹ In Lakhs) |
|--|-------|---|---|
| ASSETS | | | |
| Non - Current Assets | | | |
| (a) Property, Plant and Equipment | 4.1 | 1,79,385.90 | 1,87,074.79 |
| (b) Right of Use asset | 4.2 | 5,695.42 | - |
| (c) Capital Work-In-Progress | 4.3 | 1,858.82 | 2,287.29 |
| (d) Intangible Assets | 4.4 | 3.44 | 4.59 |
| (e) Financial Assets | | | |
| (i) Other Financial Assets | 5 | 26,790.37 | 7,920.00 |
| (f) Income Tax Assets (net) | | 99.61 | 43.03 |
| (g) Deferred Tax Assets (net) | 6 | 1,633.67 | 3,922.66 |
| (h) Other Non - Current Assets | 7 | 3,886.04 | 12,995.78 |
| Total Non - Current Assets | | 2,19,353.27 | 2,14,248.14 |
| Current Assets | | | |
| (a) Inventories | 8 | 111.49 | 22.15 |
| (b) Financial Assets | | | |
| (i) Investments | 9 | 7,354.77 | - |
| (ii) Trade Receivables | 10 | 159.59 | 221.46 |
| (iii) Cash and Cash Equivalents | 11 | 311.37 | 2,518.55 |
| (iv) Bank balances other than (iii) above | 12 | 1,341.43 | 780.58 |
| (v) Loans | 13 | 10,850.96 | 3.01 |
| (vi) Other Financial Assets | 14 | 3,773.84 | 3,799.35 |
| (c) Other Current Assets | 15 | 300.20 | 353.88 |
| Total Current Assets | | 24,203.65 | 7,698.98 |
| Total Assets | | 2,43,556.92 | 2,21,947.12 |
| EQUITY AND LIABILITIES | | | |
| Equity | | | |
| (a) Equity Share Capital | 16 | 27,701.00 | 27,701.00 |
| (b) Other Equity | 17 | (5,734.30) | (8,573.46) |
| Total Equity | | 21,966.70 | 19,127.54 |
| Liabilities | | | |
| Non - Current Liabilities | | | |
| (a) Financial Liabilities | | | |
| (i) Borrowings | 18 | 1,81,653.83 | 1,51,461.07 |
| (ii) Other Financial Liabilities | 19 | - | 2,659.18 |
| (b) Provisions | 20 | 33.06 | 23.37 |
| (c) Other Non - Current Liabilities | 21 | 4,802.19 | 3.02 |
| Total Non - Current Liabilities | | 1,86,489.08 | 1,54,146.64 |
| Current Liabilities | | | |
| (a) Financial Liabilities | | | |
| (i) Borrowings | 22 | 17,781.02 | 28,873.83 |
| (ii) Trade Payables | 23 | | |
| i. Total outstanding dues of micro enterprises and small enterprises | | 14.63 | 0.90 |
| ii. Total outstanding dues of creditors other than micro enterprises and small enterprises | | 295.97 | 1,299.25 |
| (iii) Other Financial Liabilities | 24 | 16,523.03 | 18,237.27 |
| (b) Other Current Liabilities | 25 | 482.75 | 258.02 |
| (c) Provisions | 26 | 3.74 | 3.67 |
| Total Current Liabilities | | 35,101.14 | 48,672.94 |
| Total Liabilities | | 2,21,590.22 | 2,02,819.58 |
| Total Equity and Liabilities | | 2,43,556.92 | 2,21,947.12 |

The notes referred above are an integral part of these financial statements.
In terms of our report attached

For Dhermesh Parikh & Co.

Chartered Accountants

Firm Registration Number : 112054W

Gothi Kantilal
Govabhal

Digitally signed by
Gothi Kantilal Govabhal
Date: 2020.05.02
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Kantilal Gothi

Partner

Membership Number. 127664

For and on behalf of board of directors of
Wardha Solar (Maharashtra) Private Limited

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Date: 2020.05.02
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Date: 2020.05.02
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Abhilash Mehta
Whole time Director
DIN: 06860221

Razak Khatri
Additional Director
DIN: 08183513

Ankit Shah
Chief Financial Officer

Place : Ahmedabad
Date : 2nd May, 2020

Place : Ahmedabad
Date : 2nd May, 2020

WARDHA SOLAR (MAHARASHTRA) PRIVATE LIMITED
Statement of Profit and Loss for the year ended 31st March, 2020


| Particulars | | For the year ended 31st March, 2020 (₹ in Lakhs) | For the year ended 31st March, 2019 (₹ in Lakhs) |
|---|--------------------|--|--|
| Income | | | |
| Revenue from Operations | 27 | 34,408.96 | 34,446.34 |
| Other Income | 28 | 770.24 | 591.64 |
| Total Income | | 35,179.20 | 35,037.98 |
| Expenses | | | |
| Purchase of Stock in trade / material consumed | | 43.64 | 421.56 |
| Employee Benefit Expenses | 29 | 315.50 | 353.66 |
| Finance Costs | 30 | 14,308.57 | 16,995.85 |
| Depreciation and Amortisation Expenses (refer note 48) | 4.1, 4.2 and 4.4 | 6,202.49 | 19,542.80 |
| Other Expenses | 31 | 8,964.93 | 6,554.51 |
| Total Expenses | | 29,835.13 | 43,868.38 |
| Profit / (Loss) before exceptional items and tax | | 5,344.07 | (8,830.40) |
| Exceptional items | 46 | 5,702.31 | - |
| (Loss) before tax | | (358.24) | (8,830.40) |
| Tax Expense: | 32 | | |
| Current Tax | | - | - |
| Deferred Tax | | 908.18 | (2,740.81) |
| | | 908.18 | (2,740.81) |
| (Loss) for the year | Total (A) | (1,266.42) | (6,089.59) |
| Other Comprehensive Income / (Loss) | | | |
| Items that will not be reclassified to profit and loss: | | | |
| Remeasurement of defined benefit plans, net of tax | | (2.10) | 0.08 |
| Items that will be reclassified to profit and loss: | | | |
| Effective portion of gain and loss on hedging instruments in a cash flow hedge, net of tax | | 4,107.68 | (2,456.43) |
| Other Comprehensive Income / (loss) (After Tax) | Total (B) | 4,105.58 | (2,456.35) |
| Total Comprehensive Income / (loss) for the year | Total (A+B) | 2,839.16 | (8,545.94) |
| Earnings Per Equity Share (EPS) (Face Value ₹ 10 Per Share) | | | |
| Basic EPS (₹) | 39 | (0.46) | (3.09) |
| Diluted EPS (₹) | | (0.46) | (3.09) |

The notes referred above are an integral part of these financial statements.

In terms of our report attached

For Dharmesh Parikh & Co.

Chartered Accountants

Firm Registration Number : 112054W

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Govabhai

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by Gothi Kantilal
Govabhai
Date: 2020.05.02
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Kanti Gothi

Partner

Membership Number. 127664

For and on behalf of board of directors of
Wardha Solar (Maharashtra) Private Limited

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Date:
2020.05.02
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Abhilash Mehta

Whole time Director

DIN: 06860221

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KHATRI
Date: 2020.05.02
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Razak Khatri

Additional Director

DIN: 08183513

Ankit Shah

Chief Financial Officer

Place : Ahmedabad

Date : 2nd May, 2020

Place : Ahmedabad

Date : 2nd May, 2020

WARDHA SOLAR (MAHARASHTRA) PRIVATE LIMITED**Statement of Changes in Equity for the year ended 31st March, 2020****A. Equity Share Capital**

| Particulars | No. of Shares | (₹ in Lakhs) |
|---|---------------|--------------|
| Balance as at 1st April, 2018 | 27,70,10,000 | 27,701.00 |
| Changes in equity share capital during the year : | | |
| Shares issued during the year | - | - |
| Balance as at 31st March, 2019 | 27,70,10,000 | 27,701.00 |
| Balance as at 1st April, 2019 | 27,70,10,000 | 27,701.00 |
| Changes in equity share capital during the year : | | |
| Shares issued during the year | - | - |
| Balance as at 31st March, 2020 | 27,70,10,000 | 27,701.00 |

B. Other Equity

(₹ in Lakhs)

| Particulars | Reserves and Surplus | | |
|--|----------------------|-------------------------|------------|
| | Retained Earnings | Cash Flow Hedge Reserve | Total |
| Balance as at 1st April, 2018 | (27.52) | - | (27.52) |
| (Loss) for the year | (6,089.59) | - | (6,089.59) |
| Other comprehensive Income / (Loss) (net of tax) | 0.08 | (2,456.43) | (2,456.35) |
| Total Comprehensive (Loss) for the year | (6,089.51) | (2,456.43) | (8,545.94) |
| Balance as at 31st March, 2019 | (6,117.03) | (2,456.43) | (8,573.46) |
| Balance as at 1st April, 2019 | (6,117.03) | (2,456.43) | (8,573.46) |
| (Loss) for the year | (1,266.42) | - | (1,266.42) |
| Other comprehensive (Loss) / Income (net of tax) | (2.10) | 4,107.68 | 4,105.58 |
| Total Comprehensive Income for the year | (1,268.52) | 4,107.68 | 2,839.16 |
| Balance as at 31st March, 2020 | (7,385.55) | 1,651.25 | (5,734.30) |

The notes referred above are an integral part of these financial statements.

In terms of our report attached

For Dharmesh Parikh & Co.

Chartered Accountants

Firm Registration Number : 112054W

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Kantilal
Govabhai

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by Gothi Kantilal
Govabhai
Date: 2020.05.02
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Kanti Gothi

Partner

Membership Number. 127664

For and on behalf of board of directors of
Wardha Solar (Maharashtra) Private Limited

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Date: 2020.05.02
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Abhilash Mehta
Whole time Director
DIN: 06860221

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by MAHMA
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Date: 2020.05.02
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Razak Khatri
Additional Director
DIN: 08183513

Ankit Shah
Chief Financial Officer

Place : Ahmedabad
Date : 2nd May, 2020

Place : Ahmedabad
Date : 2nd May, 2020

| Particulars | For the year ended 31st March, 2020 (₹ in Lakhs) | For the year ended 31st March, 2019 (₹ in Lakhs) |
|--|--|--|
| (A) Cash flow from operating activities | | |
| (Loss) before tax: | (358.24) | (8,830.40) |
| Adjustment for: | | |
| Interest Income | (544.54) | (515.72) |
| Net gain on sale/ fair valuation of investments through profit and loss | (122.28) | (41.46) |
| Loss on Sale of Property, Plant and Equipment (net) | 0.74 | 15.35 |
| Depreciation and Amortisation Expenses | 6,202.49 | 19,542.80 |
| Foreign Exchange Fluctuation Loss (Unrealised) | 1,022.10 | 307.76 |
| Liability No Longer Written Back | (85.09) | - |
| Deferred Income Liability Gap Funding (VGF) | (53.89) | - |
| Exceptional items | 5,702.31 | - |
| Finance Costs | 14,308.57 | 16,995.85 |
| | 26,072.17 | 27,474.18 |
| Working Capital Adjustments: | | |
| (Increase) / Decrease in Operating Assets | | |
| Other Current Assets | (113.90) | (282.33) |
| Other Non-current Assets | 16.74 | (705.76) |
| Trade Receivables | 61.88 | (177.59) |
| Inventories | (89.34) | (22.15) |
| Other Non - Current Financial Asset | (20.55) | (3,500.00) |
| Other Current Financial Assets | 79.98 | (3,529.11) |
| Increase / (Decrease) in Operating Liabilities | | |
| Other Current Liabilities | 46.99 | (90.07) |
| Non - Current Provisions | 9.69 | (12.73) |
| Loans repayment received from employees | 1.21 | 5.13 |
| Other Current Financial Liabilities | 138.67 | - |
| Trade Payables | (1,001.08) | 1,326.28 |
| Current Provisions | (2.74) | (28.21) |
| Net Working Capital Changes | (872.45) | (7,016.54) |
| Cash generated from operating activities | 25,199.72 | 20,457.64 |
| Less : Income Tax Paid (Net of Refunds) | (56.58) | (34.62) |
| Net cash generated from operating activities (A) | 25,143.14 | 20,423.02 |
| (B) Cash flow from investing activities | | |
| Expenditure on construction and acquisition of Property, Plant and Equipment and Intangible assets (including capital advances and capital work-in-progress) | 7,240.50 | (1,43,667.35) |
| Proceeds from Sale of Property, Plant and Equipment | 62.51 | 20.37 |
| Margin Money / Fixed Deposits Placed (net) | (9,705.16) | (3,538.55) |
| Loan (Given) / Repayment received back from related parties | (10,848.80) | 7,848.33 |
| Interest received | 605.70 | 365.88 |
| (Investment in) / Proceeds from sale of units of Mutual Fund (net) | (7,232.49) | 41.46 |
| Net cash (used in) investing activities (B) | (19,877.74) | (1,38,929.86) |
| (C) Cash flow from financing activities | | |
| Proceeds from Non - Current borrowings | 1,78,927.23 | 1,62,641.32 |
| Repayment of Non - Current borrowings | (1,49,472.78) | (33,450.38) |
| (Repayment of) / Proceeds from Current borrowings (net) | (25,492.80) | 10,494.16 |
| Finance Costs Paid | (11,434.24) | (18,853.89) |
| Net cash generated from financing activities (C) | (7,472.38) | 1,20,831.21 |
| Net (decrease) / Increase in cash and cash equivalents (A)+(B)+(C) | (2,207.18) | 2,324.37 |
| Cash and cash equivalents at the beginning of the year | 2,518.55 | 194.18 |
| Cash and cash equivalents at the end of the year | 311.37 | 2,518.55 |
| Notes to Statement of Cash Flows: | | |
| 1 Reconciliation of Cash and cash equivalents with the Balance Sheet: | | |
| Cash and cash equivalents as per Balance Sheet (Refer Note: 11) | 311.37 | 2,518.55 |
| | 311.37 | 2,518.55 |

WARDHA SOLAR (MAHARASHTRA) PRIVATE LIMITED
Statement of Cash Flow for the year ended 31st March, 2020



2 Disclosure of changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes are included below.

| Particulars | As at 1st April, 2019 | Cash Flows | Changes in fair values due to adoption of Ind AS 116 | Changes in fair values (Including Exchange Rate Difference and Compulsory Convertible Debt conversion) | As at 31st March, 2020 |
|---|--------------------------|-------------|---|--|---------------------------|
| Non - Current borrowings (refer note 18 and 24) | 1,59,890.22 | 29,454.45 | 1,715.94 | (1,515.22) | 1,89,545.40 |
| Current borrowings (refer note 22) | 28,873.83 | (25,492.81) | - | 14,400.00 | 17,781.02 |

| Particulars | As at 1st April, 2018 | Cash Flows | Changes in fair values due to adoption of Ind AS 116 | Changes in fair values (Including Exchange Rate Difference) | As at 31st March, 2019 |
|---|--------------------------|-------------|---|---|---------------------------|
| Non - Current borrowings (refer note 18 and 24) | 33,511.73 | 1,29,190.94 | - | (2,812.45) | 1,59,890.22 |
| Current borrowings (refer note 22) | 18,379.67 | 10,494.16 | - | - | 28,873.83 |

3 The Statement of Cash Flows has been prepared under the 'Indirect Method' set out in Ind AS 7 'Statement of Cash Flows'

The notes referred above are an integral part of these financial statements.
In terms of our report attached

For Dharmesh Parikh & Co.
Chartered Accountants
Firm Registration Number : 112034W

Gothi Kantilal
Govabhai

Digitally signed by
Gothi Kantilal Govabhai
Date: 2020.05.02
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Kanti Gothi
Partner
Membership Number. 127664

For and on behalf of board of directors of
Wardha Solar (Maharashtra) Private Limited

ABHILA
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ABHILASH
MEHTA
Date:
2020.05.02
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Abhilash Mehta
Whole time Director
DIN: 06860221

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MAHMAD RAZAK
AHMAD KHATRI
Date: 2020.05.02
20:04:01 +05'00'
Razak Khatri
Additional Director
DIN: 08183513

Ankit Shah
Chief Financial Officer

Place : Ahmedabad
Date : 2nd May, 2020

Place : Ahmedabad
Date : 2nd May, 2020

1 Reporting entity

Wardha Solar (Maharashtra) Private Limited, "The Company" is a private limited company domiciled in India and incorporated on 17th March, 2016 as a 100 % subsidiary of Parampujya Solar Energy Private Limited. Adani group having its presence in thermal power generation, ports, mining and agri business, has also forayed into development of solar parks, solar power generation and wind power generation projects. The company has implemented 350 MW of solar power generation projects in Karnataka state. The Company gets synergetic benefit of the integrated value chain of Adani group.

2 Basis of preparation**2.1 Statement of Compliance**

The Financial Statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under section 133 of the Companies Act, 2013, read with the Companies (Indian Accounting Standards) Rules, 2015 amended from time to time and other accounting principles generally accepted in India.

2.2 Basis of Preparation and presentation

The Financial Statements have been prepared on a going concern basis under the historical cost convention except for investments in mutual funds and certain financial assets and liabilities that are measured at fair values whereas net defined benefit (asset)/ liability is valued at fair value of plan assets less defined benefit obligation at the end of each reporting period, as explained in the accounting policies below.

3 Significant accounting policies**a Property, plant and equipment****i. Recognition and measurement**

Property, plant and equipment are stated at acquisition cost less accumulated depreciation and accumulated impairment losses, if any. All costs, including borrowing costs incurred up to the date the asset is ready for its intended use, are capitalised along with the respective asset.

Cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use. The cost of a self-constructed item of property, plant and equipment comprises the cost of materials and direct labour, any other costs directly attributable to bringing the item to working condition for its intended use, and estimated costs of dismantling and removing the item and restoring the site on which it is located.

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

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

ii. Subsequent measurement

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

iii. Depreciation

Depreciation is recognised so as to write off the cost of assets (other than freehold land and properties under construction) less their residual values over their useful lives, using the Written Down Value method upto 31st March, 2019 and by using Straight Line method w.e.f. 1st April, 2019. The useful life of property, plant and equipment is considered based on life prescribed in part C of Schedule II to the Companies Act, 2013, except in case of the Plant and machinery, wherein the life of the assets has been estimated at 30 years based on technical assessment taking into account the nature of assets, the estimated usage of the assets, the operating condition of the assets, anticipated technical changes, manufacturer warranties and maintenance support. In case of major components identified, depreciation is provided based on the useful life of each such component based on technical assessment, if materially different from that of the main asset.

iv. Derecognition

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

b Intangible Assets**i. Recognition and measurement**

Intangible assets acquired separately are carried at cost less accumulated amortisation and any accumulated impairment losses.

The residual values, useful lives and method of depreciation of Intangible Assets are reviewed at each financial year end and adjusted prospectively, if appropriate.

ii. Amortisation

Amortisation is recognised using Straight Line method w.e.f. 1st April, 2019 (Written Down Value method is used upto 31st March, 2019) over their estimated useful lives. Estimated useful life of the Computer Software is 5 years.

iii. Derecognition

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition are recognised in the Statement of Profit and Loss.

c Capital Work In Progress

Expenditure related to and incurred during implementation of capital projects to get the assets ready for intended use is included under "Capital Work in Progress". The same is allocated to the respective items of property plant and equipment on completion of construction/ erection of the capital project/ property plant and equipment.

Notes to financial statements as at and for the year ended on 31st March, 2020**d Financial Instruments****Recognition and measurement**

Trade receivables and debt securities issued are initially recognised when they originate. All other financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments.

A financial asset and financial liability is initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit and loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit and loss are recognised immediately in the Statement of Profit and Loss.

Financial assets and financial liabilities are offset when the Company has a legally enforceable right (not contingent on future events) to off-set the recognised amounts either to settle on a net basis, or to realise the assets and settle the liabilities simultaneously

e Financial assets**Initial recognition and measurement**

On initial recognition, a financial asset is measured at;

- Amortised Cost;
- FVTOCI - debt investment;
- FVTOCI - equity investment; or
- FVTPL

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified based on assessment of business model in which they are held. This assessment is done for portfolio of the financial assets. The relevant categories are as below:

i) At amortised cost

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and which are not classified as financial assets at fair value through profit and loss or for-sale fair value through profit and loss. Subsequently, these are measured at amortised cost using the effective interest method less any impairment losses. These include trade receivables, finance receivables, balances with banks, short-term deposits with banks, other financial assets and investments with fixed or determinable payments. These assets are held for the purpose of collecting contractual cash flows which represent solely payment of principal and interest.

ii) At fair value through Other comprehensive income (FVOCI)

A financial asset is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

iii) At fair value through profit and loss (FVTPL)

Financial assets which are not measured at amortised cost and are held for trading are measured at FVTPL.

Fair value changes related to such financial assets including derivative contracts are recognised in the Statement of Profit and Loss.

Business Model Assessment

The Company makes an assessment of the objectives of the business model in which a financial asset is held because it best reflects the way business is managed and information is provided to management.

The assessment of business model comprises the stated policies and objectives of the financial assets, management strategy for holding the financial assets, the risk that affects the performance etc. Further management also evaluates whether the contractual cash flows are solely payment of principal and interest considering the contractual terms of the instrument.

Derecognition of financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in the Statement of Profit and Loss if such gain or loss would have otherwise been recognised in the Statement of Profit and Loss on disposal of that financial asset.

Impairment of Financial assets

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

Expected credit losses rate 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. The Company estimates cash flows by considering all contractual terms of the financial instrument through the expected life of that financial instrument.

When making the assessment of whether there has been a significant increase in credit risk since initial recognition, the Company uses the change in the risk of a default occurring over the expected life of the financial instrument instead of the change in the amount of expected credit losses. To make that assessment, the Company compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition.

The Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure;

- a) Financial assets that are debt instruments, and are measured at amortised cost e.g. loans, debt securities, deposits, trade receivables and bank balances.
- b) Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 115

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

Notes to financial statements as at and for the year ended on 31st March, 2020**f Financial liabilities and equity instruments****Classification as debt or equity**

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity Instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

Financial liabilities

All financial liabilities are measured at amortised cost using the effective interest method or at FVTPL.

Financial liabilities at amortised cost

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method. Interest expense that is not capitalised as part of costs of an asset is included in the 'Finance costs' line item in the Statement of Profit and Loss.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

Trade and other payables are recognised at the transaction cost, which is its fair value, and subsequently measured at amortised cost.

Financial liabilities at FVTPL

A financial liability may be designated as at FVTPL upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise;
- the financial liability whose performance is evaluated on a fair value basis, in accordance with the Company's documented risk management;

Fair value changes related to such financial liabilities including derivative contracts like forward currency contracts and options to hedge the Company's foreign currency risks are recognised in the Statement of Profit and Loss.

Derecognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. An exchange with a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in the Statement of Profit and Loss.

Derivative Financial Instruments**Initial recognition and subsequent measurement**

The Company uses derivative financial instruments, such as forward currency contracts and options to hedge its foreign currency risk. Derivatives are initially measured at fair value. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are generally recognised in the Statement of Profit and Loss as Foreign Exchange (Gain) / Loss except those relating to borrowings, which are separately classified under Finance Cost. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

g Inventories

Inventories are carried at the lower of the cost and net realisable value after providing for obsolescence and other losses where considered necessary. Cost of inventories comprises all cost of purchase and other cost incurred in bringing inventories to their present location and condition. In determining the cost, weighted average cost method is used.

Net Realisable Value in respect of stores and spares is the estimated current procurement price in the ordinary course of the business.

h Current and non-current classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle or
- Held primarily for the purpose of trading or
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

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

The Company classifies all other liabilities as non-current.

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

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

i Functional currency and presentation currency

These financial statements are presented in Indian Rupees (INR), which is also the Company's functional currency. All amounts have been rounded-off to the nearest Lakhs with two decimal, unless otherwise indicated.

Foreign currencies

Transactions in foreign currencies are initially recorded by the Company at its functional currency spot rates at the date the transaction first qualifies for recognition.

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

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions.

Exchange differences are recognized in the Statement of Profit and Loss except exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings.

Notes to financial statements as at and for the year ended on 31st March, 2020**j) Government grants**

Government grants are not recognised until there is reasonable assurance that the Company will comply with the conditions attached to them and that the grants will be received.

Government grants are recognised in Statement of Profit and Loss on a systematic basis over the periods in which the Company recognises as expenses the related costs for which the grants are intended to compensate. Specifically, government grants whose primary condition is that the Company should purchase, construct or otherwise acquire non-current assets are recognised as deferred revenue in the balance sheet and transferred to profit and loss on a systematic and rational basis over the useful lives of the related assets.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Company with no future related costs are recognised in profit and loss in the period in which they become receivable.

The benefit of a government loan at a below-market rate of interest is treated as a government grant, measured as the difference between proceeds received and the fair value of the loan based on prevailing market interest rates.

k) Revenue recognition

Revenue from contracts with customers is recognised when control of the goods or services are rendered to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services.

Revenue is measured based on the transaction price, which is the consideration, adjusted for discounts and other incentives, if any, as specified in the contract with the customer. Revenue also excludes taxes or other amounts collected from customers in its capacity as an agent. If the consideration in a contract includes a variable amount, the Company estimates the amount of consideration to which it will be entitled in exchange for transferring the goods to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

The accounting policies for the specific revenue streams of the Company are summarized below:

i) Revenue from Power Supply is recognised in terms of the Power Purchase Agreements (PPA) entered with Central and State Distribution Companies and is measured at the value of the consideration received or receivable, net of discounts if any.

ii) The Company's contracts with customers for the sale of goods generally include one performance obligation. Revenue from the sale of goods is recognised at the point in time when control of the asset is transferred to the customers, generally on delivery of the goods.

iii) Interest income is recognised on Effective Interest Rate (EIR) basis taking into account the amount outstanding and the applicable interest rate. Dividend income is accounted for when the right to receive income is established

iv) Delayed payment charges and interest on delayed payment for power supply are recognized based on conclusive evidence regarding ultimate collection.

Contract Balances**Contract assets**

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

Trade receivables

A receivable represents the Company's right to an amount of consideration that is unconditional i.e. only the passage of time is required before payment of consideration is due.

Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. Contract liabilities are recognised as revenue when the Company performs obligations under the contract.

l) Borrowing costs

Borrowing costs are interest and other costs incurred in connection with the borrowing of funds. Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in the Statement of Profit and Loss in the period in which they are incurred.

m) Employee benefits**i) Defined benefit plans:**

The Company operates a defined benefit gratuity plan in India, which requires contributions to be made to a separately administered fund. The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method.

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

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Company recognises the following changes in the net defined benefit obligation as an expense in the Statement of Profit and Loss:

- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and
- Net interest expense or income.

ii) Defined contribution plan:

Retirement benefit in the form of Provident Fund and Family Pension Fund is a defined contribution scheme. The Company has no obligation, other than the contribution payable to the provident fund. The Company recognizes contribution payable to the provident fund scheme as a charge to the capital work-in-progress till the capitalisation of the projects otherwise the same is charged to the Statement of Profit and Loss for the period in which the contributions to the respective funds accrue.

iii) Compensated Absences:

Provision for Compensated Absences and its classifications between current and non-current liabilities are based on independent actuarial valuation. The actuarial valuation is done as per the projected unit credit method.

iv) Short term employee benefits:

Short-term employee benefit obligations are recognised at an undiscounted amount in the Statement of Profit and Loss for the reporting period in which the related services are received.

Notes to financial statements as at and for the year ended on 31st March, 2020**n Taxation**

Tax on Income comprises current and deferred tax. It is recognised in the Statement of Profit and Loss except to the extent that it relates to a business combination, or items recognised directly in equity or in other comprehensive income.

Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the reporting period and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date.

Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

Deferred tax

Deferred tax is recognized for the future tax consequences of deductible temporary differences between the carrying values of assets and liabilities and their respective tax bases at the reporting date, using the tax rates and laws that are enacted or substantively enacted as on reporting date. The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities. Deferred tax is also recognised in respect of carried forward tax losses and tax credits subject to the assessment of reasonable certainty of recovery.

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 future taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognized outside the Statement of Profit and Loss is recognized outside with the underlying items i.e. either in the statement of other comprehensive income or directly in equity as relevant.

n Earnings per share

Basic earnings per share is computed by dividing the profit / (loss) after tax (net off distribution on Perpetual Securities whether declared or not) by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit / (loss) after tax as adjusted for the effects of dividend, interest and other charges relating to the dilutive potential equity shares by weighted average number of shares plus dilutive potential equity shares.

o Provisions, Contingent Liabilities and Contingent Assets

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Provisions are determined by discounting the expected future cash flows (representing the best estimate of the expenditure required to settle the present obligation at the balance sheet date) at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. When the Company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the Statement of Profit and Loss net of any reimbursement. The unwinding of the discount is recognised as finance cost. Expected future operating losses are not provided for.

Contingent liabilities are not recognised but are disclosed in the notes. Contingent assets are not recognised but are disclosed in the notes where an inflow of economic benefits is probable.

p Impairment of non-financial assets

At the end of each reporting period, the Company reviews the carrying amounts of non-financial assets, other than inventories and deferred tax assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. Each CGU represents the smallest group of assets that generates cash inflows that are largely independent of the cash inflows of other assets or CGUs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. An impairment loss is recognised immediately in the Statement of Profit and Loss. Impairment loss recognised in respect of a CGU is allocated to reduce the carrying amounts of the other assets of the CGU (or group of CGUs) on a pro rata basis.

q Leases

Effective from 1st April, 2019, the Company adopted Ind AS 116 – Leases and applied the standard to all lease contracts existing as on 1st April, 2019 using the modified retrospective method on the date of initial application i.e. 1st April, 2019. Refer Note 37 for details on transition to Ind AS 116 Leases.

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

The Company recognises a right-of-use asset and a lease liability at the lease commencement date except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

Lease term is a non-cancellable period together with periods covered by an option to extend the lease if the Company is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the Company is reasonably certain not to exercise that option.

The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received. The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Company by the end of the lease term or the cost of the right-of-use asset reflects that the Company will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments to be paid over the lease term at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate. Subsequently, the lease liability is measured at amortised cost using the effective interest method.

Notes to financial statements as at and for the year ended on 31st March, 2020**r Hedge Accounting**

The Company designates certain hedging instruments, which include derivatives and non-derivatives in respect of foreign currency risk, as cash flow hedges.

At the inception of the hedge relationship, the entity documents the relationship between the hedging instrument and hedged item, along with its risk management objectives and its strategy for undertaking various hedge transactions. Furthermore, at the inception of the hedge and on an ongoing basis, the Company documents whether the hedging instrument is highly effective in offsetting changes in fair value or cash flows of the hedged item attributable to the hedged risk.

Cash flow hedges

The Company designates derivative contracts or non derivative financial assets / liabilities as hedging instruments to mitigate the risk of movement in interest rates and foreign exchange rates for foreign exchange exposure on highly probable future cash flows attributable to a recognised asset or liability or forecast cash transactions. When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in the fair value of the derivative is recognized in the cash flow hedging reserve being part of other comprehensive income. Any ineffective portion of changes in the fair value of the derivative is recognized immediately in the Statement of Profit and Loss. If the hedging relationship no longer meets the criteria for hedge accounting, then hedge accounting is discontinued prospectively. If the hedging instrument expires or is sold, terminated or exercised, the cumulative gain or loss on the hedging instrument recognized in cash flow hedging reserve till the period the hedge was effective remains in cash flow hedging reserve until the underlying transaction occurs. The cumulative gain or loss previously recognized in the cash flow hedging reserve is transferred to the Statement of Profit and Loss upon the occurrence of the underlying transaction.

■ Cash and Cash Equivalents

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

Cash and cash equivalents for the purpose of Statement of Cash Flow comprise cash and cheques in hand, bank balances, demand deposits with banks where the original maturity is three months or less.

Notes to financial statements as at and for the year ended on 31st March, 2020**3.1 Use of estimates and judgements**

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures including contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Key Sources of Estimation uncertainty:

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

i) Useful lives and residual value of property, plant and equipment

In case of the power plant assets, in whose case the life of the assets has been estimated at 30 years for solar power generation projects based on technical assessment, taking into account the nature of the assets, the estimated usage of the asset, the operating condition of the asset, anticipated technological changes, manufacturer warranties and maintenance support, except for major some components identified during the year, depreciation on the same is provided based on the useful life of each such component based on technical assessment, if materially different from that of the main asset.

ii) Method of depreciation on property, plant and equipment and intangible assets

The Company has revised the method of charging depreciation and amortisation on Property, Plant and Equipment and Intangible assets from written down value method to straight line method, with effect from 1st April, 2019 based on technical assessment, taking into account the nature of the assets, the estimated usage of the asset, the operating condition of the asset, anticipated technological changes, manufacturer warranties and maintenance support.

iii) Fair value measurement of financial instruments

In estimating the fair value of financial assets and financial liabilities, the Company uses market observable data to the extent available. Where such Level 1 inputs are not available, the Company establishes appropriate valuation techniques and inputs to the model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. Judgments include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

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

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

iv) Defined benefit plans (gratuity benefits)

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

v) Taxes

Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies and future recoverability of deferred tax assets.

vi) Impairment of Non Financial Assets

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a discounted future cashflows model. The recoverable amount is sensitive to the discount rate used for the discounted future cashflows model as well as the expected future cash-inflows and the growth rate used.

vii) Government Grant

Significant management judgment is required to determine the timing and extent of recognition of any grants received from Government. They can only be recognized upon reasonable assurance that the entity will comply with the conditions attached to the grant.

viii) Recognition and measurement of provision and contingencies

The Company recognises a provision if it is probable that an outflow of cash or other economic resources will be required to settle the provision. If an outflow is not probable, the item is treated as a contingent liability. Risks and uncertainties are taken into account in measuring a provision.

(₹ in Lakhs)

(₹ in Lakhs)

Notes:

1) For charges created refer note 18.

WARDHA SOLAR (MAHARASHTRA) PRIVATE LIMITED
Notes to financial statements as at and for the year ended on 31st March, 2020

4.2 Right-of-Use Assets (refer note 3.4)

| Particulars | As at 31st March, 2020 | As at 31st March, 2019 |
|-------------------------|---------------------------|---------------------------|
| Net Carrying amount of: | | |
| Lease hold land | 5,695.42 | - |
| | 5,695.42 | - |

| Description of Assets | Lease hold land | Total |
|--|-----------------|-----------------|
| I. Cost | | |
| Balance as at 1st April, 2019 | - | - |
| Transition Impact on adoption of Ind AS 116 (refer note 4.1 above) | | |
| Addition during the year | 5,754.58 | 5,754.58 |
| Balance as at 31st March, 2020 | 5,754.58 | 5,754.58 |
| II. Accumulated depreciation | | |
| Balance as at 1st April, 2019 | - | - |
| Depreciation expense for the year | 59.16 | 59.16 |
| Balance as at 31st March, 2020 | 59.16 | 59.16 |

4.3 Capital Work In Progress

| | As at 31st March, 2020 (₹ in Lakhs) | As at 31st March, 2019 (₹ in Lakhs) |
|--|---|---|
| Capital Work In Progress (pertaining to Property, Plant and Equipment) | 1,858.82 | 2,287.29 |
| | 1,858.82 | 2,287.29 |

Note:

i) For charges created refer note 18.

4.4 Other Intangible Assets

| Particulars | As at 31st March, 2020 | As at 31st March, 2019 |
|-------------------------|---------------------------|---------------------------|
| Net Carrying Amount of: | | |
| Intangible assets | | |
| Computer software | 3.44 | 4.59 |
| | 3.44 | 4.59 |

| Description of Assets | Computer software | Total |
|-------------------------------------|-------------------|--------------|
| I. Cost | | |
| Balance as at 1st April, 2018 | 6.24 | 6.24 |
| Additions for the year | 8.87 | 8.87 |
| Disposals for the year | - | - |
| Balance as at 31st March, 2019 | 15.11 | 15.11 |
| Additions for the year | - | - |
| Disposals for the year | - | - |
| Balance as at 31st March, 2020 | 15.11 | 15.11 |
| II. Accumulated Amortisation | | |
| Balance as at 1st April, 2018 | 2.00 | 2.00 |
| Amortisation expense for the year | 8.52 | 8.52 |
| Disposals for the year | - | - |
| Balance as at 31st March, 2019 | 10.52 | 10.52 |
| Amortisation expense for the year | 1.15 | 1.15 |
| Disposals for the year | - | - |
| Balance as at 31st March, 2020 | 11.67 | 11.67 |

| 5 | Other Non - Current Financial Assets | As at 31st March, 2020 (₹ in Lakhs) | As at 31st March, 2019 (₹ in Lakhs) |
|---|---|---|---|
| | (Unsecured, considered good) | | |
| | Balances held as Margin Money or security against borrowings (refer note (i) below) | 13,564.32 | 4,420.00 |
| | Derivative Assets | 8,465.33 | - |
| | Claims receivable | 1,240.17 | - |
| | Security deposit | 3,520.55 | 3,500.00 |
| | Total | 26,790.37 | 7,920.00 |

Note:

(i) Margin Money is pledged / lien against Bonds which is expected to roll over after the maturity.

| 6 | Deferred Tax Assets (Net) | As at 31st March, 2020 (₹ in Lakhs) | As at 31st March, 2019 (₹ in Lakhs) |
|---|--|---|---|
| | Deferred Tax Liabilities | | |
| | Difference between book base and tax base of Property, Plant and Equipment | 1,396.00 | - |
| | Gross deferred tax liabilities (a) | 1,396.00 | - |
| | Deferred Tax Assets | | |
| | Difference between book base and tax base of Property, Plant and Equipment | - | 1,932.54 |
| | Provision for Employee benefits | 9.26 | 7.87 |
| | Unabsorbed depreciation | 3,020.41 | 1,982.25 |
| | Gross Deferred Tax Assets (b) | 3,029.67 | 3,922.66 |
| | Net Deferred Tax Asset Total (b-a) | 1,633.67 | 3,922.66 |

(a) Movement in deferred tax assets (net) for the period ended 31st March, 2020

| Particulars | Opening Balance as at 1st April, 2019 | Recognised in profit and Loss | Recognised in OCI | Closing Balance as at 31st March, 2020 |
|--|---|----------------------------------|-------------------|---|
| Tax effect of items constituting deferred tax liabilities: | | | | |
| Difference between book base and tax base of Property, Plant and Equipment | - | 1,396.00 | - | 1,396.00 |
| Total | - | 1,396.00 | - | 1,396.00 |
| Tax effect of items constituting deferred tax assets : | | | | |
| Difference between book base and tax base of Property, Plant and Equipment | 1,932.54 | (551.02) | (1,381.52) | - |
| Employee Benefits | 7.87 | 0.68 | 0.71 | 9.26 |
| Unabsorbed depreciation | 1,982.25 | 1,038.16 | - | 3,020.41 |
| Total | 3,922.66 | 487.82 | (1,380.81) | 3,029.67 |
| Net Deferred Tax Asset | 3,922.66 | (908.18) | (1,380.81) | 1,633.67 |

(b) Movement in deferred tax assets (net) for the Financial Year 2018-19

| Particulars | Opening Balance as at 1st April, 2018 | Recognised in profit and Loss | Recognised in OCI | Closing Balance as at 31st March, 2019 |
|--|---|----------------------------------|-------------------|---|
| Tax effect of items constituting deferred tax liabilities: | | | | |
| Difference between book base and tax base of Property, Plant and Equipment | 1,599.05 | (1,599.05) | - | - |
| Total | 1,599.05 | (1,599.05) | - | - |
| Tax effect of items constituting deferred tax assets : | | | | |
| Difference between book base and tax base of Property, Plant and Equipment | - | 923.36 | 1,009.18 | 1,932.54 |
| Employee Benefits | - | 7.90 | (0.03) | 7.87 |
| Unabsorbed depreciation | 1,771.75 | 210.50 | - | 1,982.25 |
| Total | 1,771.75 | 1,141.76 | 1,009.15 | 3,922.66 |
| Net Deferred Tax Asset | 172.70 | 2,740.81 | 1,009.15 | 3,922.66 |

The Company has entered into long term power purchase agreement with central and state distribution companies for period of 25 years, pursuant to this management is reasonably certain that the unabsorbed depreciation will be utilized. Unabsorbed depreciation can be utilised at any time without any restriction or time-frame.

Also refer note 47 for impact of Taxation Laws (Amendment) Ordinance, 2019. ('the Ordinance').

7 Other Non - Current Assets

| | As at 31st March, 2020 (₹ in Lakhs) | As at 31st March, 2019 (₹ in Lakhs) |
|--|---|---|
| (Unsecured, Considered Good) | | |
| Capital advances* | 3,191.82 | 12,284.82 |
| Balances with Government authorities (refer note 33) | 694.00 | 709.00 |
| Prepaid Expenses | 0.22 | - |
| Staff Relocation Advance | - | 1.96 |
| Total | 3,886.04 | 12,995.78 |

*For balances with related parties, refer note 42.

8 Inventories**(At lower of Cost and Net Realisable Value)**

| | As at 31st March, 2020 (₹ in Lakhs) | As at 31st March, 2019 (₹ in Lakhs) |
|-------------------|---|---|
| Stores and spares | 111.49 | 22.15 |
| Total | 111.49 | 22.15 |

Note:

(i) For charges created refer note 18.

9 Current Investments**Investment measured at FVTPL****Investment in Mutual Funds (Unquoted and fully paid)**

| | As at 31st March, 2020 (₹ in Lakhs) | As at 31st March, 2019 (₹ in Lakhs) |
|--|---|---|
| 90,765.788 (As at 31st March, 2019 Nil) units ₹ 1000 each of Axis Liquid Fund-Direct Growth | 2,000.78 | - |
| 5,78,332.267 (As at 31st March, 2019 Nil) units ₹ 1000 each of Birla Sun Life Cash Plus - Growth-Direct Plan | 1,848.12 | - |
| 96,585.368 (As at 31st March, 2019 Nil) units ₹ 1000 each of L&T Overnight Fund Direct Plan-Growth | 1,505.00 | - |
| 61,537.85 units (As at 31st March, 2019 Nil) ₹ 1000 each of Utl Liquid Cash Plan-Direct Plan Growth | 2,000.87 | - |
| Total | 7,354.77 | - |
| Aggregate value of unquoted Investments | 7,354.77 | - |
| Fair value of unquoted Investments | 7,354.77 | - |

10 Trade Receivables

| | As at 31st March, 2020 (₹ in Lakhs) | As at 31st March, 2019 (₹ in Lakhs) |
|--|---|---|
| Unsecured, considered good (refer note 45) | 159.59 | 221.46 |
| Total | 159.59 | 221.46 |

Note :

(i) For charges created refer note 18.

(ii) For balances with related parties, refer note 42.

11 Cash and Cash equivalents

| | As at 31st March, 2020 (₹ in Lakhs) | As at 31st March, 2019 (₹ in Lakhs) |
|--|---|---|
| Balances with banks In current accounts | 311.37 | 2,518.55 |
| Total | 311.37 | 2,518.55 |

Note:

(i) For charges created refer note 18.

12 Bank balance (other than Cash and Cash equivalents)

| | As at 31st March, 2020 (₹ in Lakhs) | As at 31st March, 2019 (₹ in Lakhs) |
|---|---|---|
| Balances held as Margin Money (refer note (i) below) | 171.43 | 780.58 |
| Fixed Deposits (with maturity for more than three months) | 1,170.00 | - |
| Total | 1,341.43 | 780.58 |

Note :

(i) For charges created refer note 18.

(ii) Fixed Deposit / Margin Money is pledged / lien against credit facilities.

13 Current Loans

| | As at 31st March, 2020 (₹ in Lakhs) | As at 31st March, 2019 (₹ in Lakhs) |
|---|---|---|
| (Unsecured Considered Good) | | |
| Loans to related parties (refer note (i) below and note 42) | 10,848.80 | - |
| Loans to employees | 2.16 | 3.01 |
| Total | 10,850.96 | 3.01 |

Note :

(i) Loans to related parties are receivable within one year from the date of balance sheet and carry an interest rate ranging from Nil to 10.05%.

| 14 Other Current Financial Assets (Unseoured, Considered good) | As at 31st March, 2020 (₹ in Lakhs) | As at 31st March, 2019 (₹ in Lakhs) |
|---|---|---|
| | | |
| Interest accrued but not due* | 152.96 | 214.12 |
| Contract Assets - Unbilled Revenue (refer note 45) | 3,457.67 | 3,500.82 |
| Claims receivable | 115.63 | - |
| Balance with government authorities | - | 21.25 |
| Security deposit | 47.58 | 63.16 |
| Total | 3,773.84 | 3,799.35 |

* For balance with related parties, refer note 42.

| 15 Other Current Assets (Unseoured, Considered good) | As at 31st March, 2020 (₹ in Lakhs) | As at 31st March, 2019 (₹ in Lakhs) |
|---|---|---|
| | | |
| Advance for supply of goods and services * | 250.49 | 179.73 |
| Balances with Government authorities | 44.37 | 5.69 |
| Prepaid Expenses | 3.38 | 166.14 |
| Advance to Employees | 1.96 | 2.32 |
| Total | 300.20 | 353.88 |

Note:

For charges created refer note 18.

* For balance with related parties, refer note 42.

| 16 Share Capital | As at 31st March, 2020 (₹ in Lakhs) | As at 31st March, 2019 (₹ in Lakhs) |
|---|---|---|
| | | |
| Authorised Share Capital 28,00,00,000 (as at 31st March, 2019 28,00,00,000) Equity Shares of ₹ 10 each | 28,000.00 | 28,000.00 |
| Total | 28,000.00 | 28,000.00 |
| Issued, Subscribed and fully paid-up Equity Shares 27,70,10,000 (as at 31st March, 2019 27,70,10,000) Equity Shares of ₹ 10 each | 27,701.00 | 27,701.00 |
| Total | 27,701.00 | 27,701.00 |

a. Reconciliation of the shares outstanding at the beginning and at the end of the reporting year

Equity Shares

| | As at 31st March, 2020 | | As at 31st March, 2019 | |
|------------------------------------|------------------------|------------------|------------------------|------------------|
| | No. of Shares | (₹ in Lakhs) | No. of Shares | (₹ in Lakhs) |
| At the beginning of the year | 27,70,10,000 | 27,701.00 | 27,70,10,000 | 27,701.00 |
| Issued during the year | - | - | - | - |
| Outstanding at the end of the year | 27,70,10,000 | 27,701.00 | 27,70,10,000 | 27,701.00 |

b. Terms/rights attached to equity shares

The Company has only one class of equity shares having par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the Company the holders of the equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the share holders. The dividend proposed by the Board of Directors if any, is subject to the approval of shareholders in the ensuing Annual General Meeting, except in case of interim dividend.

c. Shares held by Holding company

Out of equity shares issued by the Company, shares held by its Holding company are as under

| | As at 31st March, 2020 (₹ in Lakhs) | As at 31st March, 2019 (₹ in Lakhs) |
|---|---|---|
| Parampujya Solar Energy Private Limited (along with its nominees) 27,70,10,000 (as at 31st March, 2019- 27,70,10,000) Equity Shares of ₹ 10 each | 27,701.00 | 27,701.00 |

d. Details of shareholders holding more than 5% shares in the Company

| | As at 31st March, 2020 | | As at 31st March, 2019 | |
|--|------------------------|---------------------------|------------------------|---------------------------|
| | No. of Shares | % holding in the class | No. of Shares | % holding in the class |
| Equity shares of ₹ 10 each fully paid Parampujya Solar Energy Private Limited, Holding company | 27,70,10,000 | 100% | 27,70,10,000 | 100% |
| (along with its nominees) | 27,70,10,000 | 100% | 27,70,10,000 | 100% |

| 17 Other Equity | As at 31st March, 2020 (₹ in Lakhs) | As at 31st March, 2019 (₹ in Lakhs) |
|---|---|---|
| Retained earnings | | |
| Opening Balance | (6,117.03) | (27.52) |
| Add: (Loss) for the year | (1,266.42) | (6,089.59) |
| Add / (Less): Other Comprehensive Income arising from remeasurement of defined benefit plan, net of tax | (2.10) | 0.08 |
| Closing Balance | (7,385.55) | (6,117.03) |
| Cash Flow Hedge reserve | | |
| Opening Balance | (2,456.43) | - |
| (Less) / Add: recognised during the year | 4,107.68 | (2,456.43) |
| Closing Balance | 1,651.25 | (2,456.43) |
| Total (A+B) | (5,734.30) | (8,573.46) |

Note :

(i) Retained earnings represents the amount that can be distributed by the Company as dividends considering the requirements of the Companies' Act, 2013.

(ii) The cash flow hedging reserve represents the cumulative effective portion of gains or losses arising on changes in fair value of designated portion of hedging instruments entered into for cash flow hedges. The cumulative gain or loss arising on changes in fair value of the designated portion of the hedging instruments that are recognised and accumulated under the heading of cash flow hedging reserve will be reclassified to profit or loss only when the hedged transaction affects the profit or loss.

| 18 Non - Current Borrowings (at amortised cost) | As at 31st March, 2020 (₹ in Lakhs) | As at 31st March, 2019 (₹ in Lakhs) |
|--|---|---|
| Secured borrowings (refer note (a) below) | | |
| Term Loans | | |
| From Banks | - | 73,580.33 |
| From Financial Institutions | - | 35,470.62 |
| 4.625% Senior Secured USD Bond | 1,80,181.60 | |
| Trade Credits | | |
| From Banks | - | 28,010.12 |
| Total (A) | 1,80,181.60 | 1,37,061.07 |
| Unsecured borrowings | | |
| Lease Liability | 1,472.23 | - |
| 10.50% Unsecured Compulsory Convertible Debenture (refer note 42) (refer note (iv) below) | - | 14,400.00 |
| Total (B) | 1,472.23 | 14,400.00 |
| Total (A+B) | 1,81,653.83 | 1,51,461.07 |

Note :

(a) The Security details for the balances as at 31st March, 2020.

(i) Bonds aggregating to ₹ 189,843.48 lakhs (as at 31st March, 2019 Nil) are secured / to be secured by first charge on all present and future immovable assets and movable assets including current assets of the Company. Further, these are secured by pledge of Equity shares held by Parampiya Solar Energy Private Limited (the Holding Company) and cross guarantee of Adani Renewable Energy RJ Limited and Kodangal Solar Parks Private Limited. The same carries an interest rate of 4.625% p.a. The Bonds are repayable on structured 40 half yearly installments starting from financial year 2019-20, due-date as per the offering circular.

(ii) Foreign Currency Loan from Bank aggregating to Nil (as at 31st March, 2019 ₹ 80,397.10 Lakhs) and from Financial Institutions aggregating to Nil (as at 31st March, 2019 ₹ 39,194.54 Lakhs) were secured /to be secured by first Pari-Passu charge on all immovable properties of the project together with all appurtenance thereon and thereunder both present and future and also movable assets of the Project but limited to Cash Flow, receivable and movable machinery of the Company and had interest rate in range of 4.00% p.a. to 5.00% p.a.

(iii) Trade credits from Banks aggregating to Nil (as at 31st March, 2019 ₹ 29,776.71 Lakhs) was secured / to be secured by first charge on project assets relating to Rajeshwar location. The same had an interest rate in range of 4.00% to 4.60% p.a.

(b) Unsecured Compulsory Convertible Debenture

(iv) Unsecured Compulsory Convertible Debenture have been converted into Unsecured current borrowings.

| 19 Other Non - Current Financial Liabilities | As at 31st March, 2020 (₹ in Lakhs) | As at 31st March, 2019 (₹ in Lakhs) |
|--|---|---|
| Derivative Liabilities | - | 2,659.18 |
| Total | - | 2,659.18 |
| 20 Non - Current Provisions | As at 31st March, 2020 (₹ in Lakhs) | As at 31st March, 2019 (₹ in Lakhs) |
| Provision for Employee Benefits | | |
| Provision for Gratuity (refer note 41) | 18.57 | 13.15 |
| Provision for Compensated absences (refer note 41) | 14.49 | 10.22 |
| Total | 33.06 | 23.37 |

| 21 Other Non - Current Liabilities | | As at | As at |
|--|--|----------------------------------|----------------------------------|
| | | 31st March, 2020 (₹ in Lakhs) | 31st March, 2019 (₹ in Lakhs) |
| | Deferred Income Liability Gap Funding (VGF) (refer note 2.3 (j)) | 3,491.79 | - |
| | Deferred Revenue | 1,307.38 | - |
| | Others | 3.02 | 3.02 |
| | Total | 4,802.19 | 3.02 |
| 22 Current Borrowings | | As at | As at |
| | | 31st March, 2020 (₹ in Lakhs) | 31st March, 2019 (₹ in Lakhs) |
| | Unsecured Borrowings | | |
| | From Related Parties | 17,781.02 | 28,873.83 |
| | (Refer note (f) below and note 42) | | |
| | Total | 17,781.02 | 28,873.83 |
| Notes: | | | |
| (i) Loans from related parties are repayable within one year from the date of balance sheet and carry an interest rates are in the range of 10% to 10.05%. | | | |
| 23 Trade Payables | | As at | As at |
| | | 31st March, 2020 (₹ in Lakhs) | 31st March, 2019 (₹ in Lakhs) |
| | Trade Payables | | |
| | i. Total outstanding dues of micro enterprises and small enterprises (refer note 44) | 14.63 | 0.90 |
| | ii. Total outstanding dues of creditors other than micro enterprises and small enterprises | 295.97 | 1,299.25 |
| | Total | 310.60 | 1,300.15 |
| Note: | | | |
| (i) For balances with related parties, refer note 42 | | | |
| 24 Other Financial Liabilities | | As at | As at |
| | | 31st March, 2020 (₹ in Lakhs) | 31st March, 2019 (₹ in Lakhs) |
| | Current maturities of Non - Current borrowings (Secured) (refer note 18) | 7,752.27 | 8,429.15 |
| | Current maturity of Lease liability (unsecured) (refer note 18) | 139.29 | - |
| | Interest accrued but not due on borrowings | 4,073.07 | 1,890.41 |
| | Retention money payable | 1,404.47 | 2,158.37 |
| | Capital Creditors * (refer note 44) | 3,015.26 | 5,759.34 |
| | Other Payables | 138.67 | - |
| | Total | 16,523.03 | 18,237.27 |
| Note: | | | |
| (i) For balances with Related party, refer note 42. | | | |
| * Capital creditors represents the amounts payable for purchase of Property, Plant and Equipment and Capital-Work-in-Progress. | | | |
| 25 Other Current Liabilities | | As at | As at |
| | | 31st March, 2020 (₹ in Lakhs) | 31st March, 2019 (₹ in Lakhs) |
| | Statutory liabilities | 288.15 | 252.09 |
| | Advance from Customers | 16.85 | 5.43 |
| | Deferred Revenue | 48.42 | - |
| | Deferred Income Liability Gap Funding (VGF) (refer note 2.3 (j)) | 129.33 | - |
| | Others Payables | - | 0.50 |
| | Total | 482.75 | 258.02 |
| 26 Current Provisions | | As at | As at |
| | | 31st March, 2020 (₹ in Lakhs) | 31st March, 2019 (₹ in Lakhs) |
| | Provision for Employee Benefits | | |
| | Provision for Gratuity (refer note 41) | 0.88 | 0.93 |
| | Provision for Compensated absences (refer note 41) | 2.86 | 2.74 |
| | Total | 3.74 | 3.67 |

| 27 | Revenue from Operations | For the year ended 31st March, 2020 (₹ in Lakhs) | For the year ended 31st March, 2019 (₹ in Lakhs) |
|--|---|--|--|
| | | | |
| | Revenue From Contract with Customers (refer note 45) | | |
| | Revenue from Power Supply | 34,230.44 | 33,986.15 |
| | Sale of Traded Goods | 88.73 | 460.19 |
| | Other Operating Revenue | | |
| | Income form Viability Gap Funding | 53.89 | - |
| | Income form Carbon Credit | 35.90 | - |
| | Total | 34,408.96 | 34,446.34 |
| 28 | Other Income | For the year ended 31st March, 2020 (₹ in Lakhs) | For the year ended 31st March, 2019 (₹ in Lakhs) |
| | | | |
| | Interest Income (refer note (i) below) | 544.54 | 515.72 |
| | Net gain on sale/ fair valuation of Investments through profit and loss (refer note (ii) below) | 122.28 | 41.46 |
| | Sale of Scrap | 9.65 | 32.56 |
| | Liability No Longer Written Back | 85.09 | - |
| | Miscellaneous Income | 8.68 | 1.90 |
| | Total | 770.24 | 591.64 |
| Note: | | | |
| (i) Interest income includes ₹ 16.45 Lakhs (As at 31st March, 2019 ₹ 243.83 Lakhs) from intercorporate deposits and ₹ 528.09 Lakhs (As at 31st March, 2019 ₹ 271.89) from Bank deposits. | | | |
| (ii) Includes fair value gain as at 31st March, 2020 amounting to ₹ 2.73 Lakhs (as at 31st March, 2019 ₹ Nil). | | | |
| 29 | Employee Benefits Expenses | For the year ended 31st March, 2020 (₹ in Lakhs) | For the year ended 31st March, 2019 (₹ in Lakhs) |
| | | | |
| | Salaries, Wages and Bonus | 286.04 | 320.46 |
| | Contribution to Provident and Other Funds (refer note 41) | 19.51 | 20.36 |
| | Staff Welfare Expenses | 9.95 | 12.84 |
| | Total | 315.50 | 353.66 |
| 30 | Finance costs | For the year ended 31st March, 2020 (₹ in Lakhs) | For the year ended 31st March, 2019 (₹ in Lakhs) |
| | | | |
| | (a) Interest Expenses on financial liabilities measured at amortised cost: | | |
| | Interest on Loans and Debentures | 10,721.18 | 6,790.51 |
| | Interest on Lease Liability | 155.09 | - |
| | Interest Expenses - Trade Credit and Others | 686.07 | 4,637.65 |
| | Total (A) | 11,562.34 | 11,428.16 |
| | (b) Other borrowing costs : | | |
| | (Gain) / Loss on Derivatives Contracts | (6,727.95) | 2,867.78 |
| | Bank Charges and Other Borrowing Costs | 385.55 | 1,394.42 |
| | Total (B) | (6,342.40) | 4,262.20 |
| | (c) Exchange difference regarded as an adjustment to borrowing cost | 9,088.63 | 1,305.49 |
| | Total (C) | 9,088.63 | 1,305.49 |
| | Total (A+B+C) | 14,308.57 | 16,995.85 |
| 31 | Other Expenses | For the year ended 31st March, 2020 (₹ in Lakhs) | For the year ended 31st March, 2019 (₹ in Lakhs) |
| | | | |
| | Transmission Expenses | 0.22 | 12.78 |
| | Stores and Spares | 89.87 | 80.21 |
| | Communication expenses | 31.88 | 29.96 |
| | Electricity Expenses | 1.84 | 13.09 |
| | Loss on Sale / Retirement of Property plant and equipment (net) | 0.74 | 15.35 |
| | Repairs and Maintenance | | |
| | Plant and Equipment (refer note 42) | 1,515.69 | 1,087.47 |
| | Others | 5.70 | 5.57 |
| | Rent | 5.07 | 210.57 |
| | Rates and Taxes | 6.14 | - |
| | Insurance expenses | 83.98 | 67.70 |
| | Travelling and conveyance expenses | 117.38 | 168.55 |
| | Legal and Professional Expenses (refer note 42) | 701.08 | 717.96 |
| | Directors' Sitting Fees | 0.65 | - |
| | Payment to Auditors | | |
| | Statutory Audit Fees | 3.32 | 2.15 |
| | Tax Audit Fees | 2.09 | 3.16 |
| | Others | 0.13 | 1.38 |
| | Office Expenses | 4.61 | 19.16 |
| | Foreign Exchange Fluctuation and derivative loss | 6,380.35 | 4,051.70 |
| | Miscellaneous Expenses | 14.19 | 67.75 |
| | Total | 8,964.93 | 6,554.31 |

32 Income Tax

The major components of Income tax expense for the period ended 31st March, 2020 and 31st March, 2019 are :

Income Tax Expense :

| | | For the year ended 31st March, 2020 (₹ in Lakhs) | For the year ended 31st March, 2019 (₹ in Lakhs) |
|--|--|--|--|
| Current Tax: | | | |
| Current Income Tax Charge | | - | - |
| Total (a) | | - | - |
| Deferred Tax | | | |
| In respect of current year origination and reversal of temporary differences | | 908.18 | (2,740.81) |
| Total (b) | | 908.18 | (2,740.81) |
| Total (a+b) | | 908.18 | (2,740.81) |

The income tax expense for the period can be reconciled to the accounting profit as follows :

| | For the year ended 31st March, 2020 (₹ in Lakhs) | For the year ended 31st March, 2019 (₹ in Lakhs) |
|--|--|--|
| (Loss) before tax as per Statement of Profit and Loss | (358.24) | (8,830.40) |
| Income tax using the company's domestic tax rate 25.17% (as at 31st March, 2019 @ 29.12%) (refer note 47) | (90.16) | (2,571.41) |
| Tax Effect of : | | |
| i) Non-deductible expenses | - | (169.40) |
| ii) Change in estimate | 465.99 | - |
| iii) Change in Tax Rate | 532.36 | - |
| Income tax recognised in profit and loss account at effective rate | 908.19 | (2,740.81) |

33 Contingent Liabilities and Commitments (to the extent not provided for) :**(i) Contingent Liabilities :**

The Company has received demand for liquidated damages for projects completed beyond the contractually agreed dates. The Company has filed appeal against such demands with appellant authorities. The management believes the reason for delay were not attributable to the Company and the facts underlying the Company's position, it believes that the probability that it will ultimately be found liable for these assessments currently seems low and accordingly has not accrued any amount with respect to these matters in its financial statements. The Company does not expect the impact of these demands to have a material adverse effect on its financial position and financial results.

The Honourable Supreme Court of India vide its order dated 28th February, 2019 held that 'Basic Wages' for the contribution towards Provident Fund (PF) should only exclude [in addition to specific exclusions under Section 2(b)(ii) of the Employees Provident Fund Act, 1952]:

a) amounts that are payable to the employee for undertaking work beyond the normal work which he/she is otherwise required to put in and
b) allowances which are either variable or linked to any incentive for production resulting in greater output by an employee and that the allowances are not paid across the board to all employees in a particular category or were being paid especially to those who avail the opportunity."

With reference to the above mentioned judgment, the Company's Management is of the view that there is considerable uncertainty around the timing, manner and extent in which the judgment will be interpreted and applied by the regulatory authorities. Management has evaluated the probable impact of the same and concluded that there is very insignificant impact of the same on the company, accordingly no impact in the books of accounts has been considered.

| | As at 31st March, 2020 (₹ in Lakhs) | As at 31st March, 2019 (₹ in Lakhs) |
|---|---|---|
| The Company has received demand for liquidated damages for projects completed beyond the contractually agreed dates. The Company has filed appeal against such demands with appellant authorities. The management believes the reason for delay were not attributable to the Company and the facts underlying the Company's position, it believes that the probability that it will ultimately be found liable for these assessments currently seems low and accordingly has not accrued any amount with respect to these matters in its financial statements. The Company does not expect the impact of these demands to have a material adverse effect on its financial position and financial results. | 694.00 | 709.00 |
| Total | 108.17 | - |

(ii) Commitments :**Capital Commitment****34 Leases****Transition to Ind AS 116 Leases:**

The Ministry of Corporate Affairs ("MCA") through the Companies (Indian Accounting Standards) Amendment Rules, 2019 has notified Ind AS 116 Leases ("Ind AS 116") which replaces the existing lease standard, Ind AS 17 Leases. Ind AS 116 sets out the principles for recognition, measurement, presentation and disclosure of leases for both lessees and lessors.

Effective 1st April, 2019, the Company has adopted Ind AS 116 – Leases and applied the standard to all lease contracts existing on 1st April, 2019 using the modified retrospective method. The Company has recorded the lease liability at the present value of the lease payments discounted at the incremental borrowing rate at the date of initial application and right of use asset at an amount equal to the lease liability adjusted for any prepayments/accruals recognised in the balance sheet as on 31st March, 2019. There is no impact on retained earnings as on 1st April, 2019.

The Company has elected below practical expedients on transition to Ind AS 116:

1. Applied a single discount rate to a portfolio of leases with reasonably similar characteristics.
2. Applied the exemption not to recognise right of use assets and lease liabilities with less than 12 months of lease term on the date of initial application.
3. Excluded the initial direct costs from the measurement of right of use asset at the date of initial application.
4. Elected not to reassess whether a contract is, or contains a lease at the date of initial application. Instead, for contracts entered into before the transition date, the Company relied on its assessment made applying Ind AS 17 Leases.

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified assets for a period of time in exchange for consideration.

Ministry of Corporate Affairs ("MCA") through Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules, has notified the Ind AS 116 Leases which replaces the existing lease standard, Ind AS 17 Leases, and other interpretations. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both lessees and lessors. It introduces a single, on-balance sheet lease accounting model for lessees.

The Company has adopted Ind AS 116, effective annual reporting period beginning 1st April, 2019 and applied the standards to its leases, prospectively, applying the standards on initial application without making any adjustment to opening balance of retained earnings.

The Company has elected not to apply the requirements of Ind AS 116 to short term leases of all the assets that have a lease term of twelve months or less and leases for which the underlying asset is of low value. The lease payments associated with these leases are recognized as an expense on a straight line basis over the lease term.

The weighted average incremental borrowing rate applied to lease liabilities as at 1st April, 2019 is 10.50%.

The following is the movement in Lease liabilities during the year ended 31st March, 2020.

| Particulars | (₹ in Lakhs) As at 31st March, 2020 (₹ in Lakhs) |
|--|---|
| Balance as at 1st April, 2019 (adoption of Ind AS 116) | 1,560.85 |
| Finance costs incurred during the period | 155.09 |
| New Lease contract entered during the year | - |
| Payments of Lease Liabilities | -104.42 |
| Balance as at 31st March, 2020 (refer note 18 and 24) | 1,611.52 |

35 Financial Instruments and Risk Review :

The Company's risk management activities are subject to the management direction and control under the framework of Risk Management Policy as approved by the Board of Directors of the Company. The Management ensures appropriate risk governance framework for the Company through appropriate policies and procedures and that risks are identified, measured and managed in accordance with the Company's policies and risk objectives.

The Company's financial liabilities comprise mainly of borrowings, trade and other payables. The Company's financial assets comprise mainly of investments, cash and cash equivalents, other balances with banks, loans, trade receivables and other receivables, derivative assets.

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

- Market risk;
- Credit risk; and
- Liquidity risk

Market risk

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

f) Interest rate risk

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

The Company manages its interest rate risk by having a mixed portfolio of fixed and variable rate loans and borrowings. The Company borrowings from banks and financial institutions are at fixed and floating rate of interest and borrowings from related parties are at fixed rate of interest.

The sensitivity analysis have been carried out based on the exposure to interest rates for instruments not hedged against interest rate fluctuations at the end of the reporting period. The said analysis has been carried on the amount of floating rate non current liabilities outstanding at the end of the reporting period. A 50 basis point increase or decrease represents the management's assessment of the reasonably possible change in interest rates.

In case of fluctuation in interest rates by 50 basis points and all other variable were held constant, the Company's profit for the year would increase or decrease as follows:

| | For the year ended 31st March, 2020 (₹ in Lakhs) | For the year ended 31st March, 2019 (₹ in Lakhs) |
|---|--|--|
| Total Exposure of the Company to variable rate of borrowing | Nil | Nil |
| Impact on loss before tax for the year | - | - |

ii) Foreign currency risk

Foreign Currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company is exposed to the effects of fluctuation in the prevailing foreign currency exchange rates on its financial position and cash flows. Exposure arises primarily due to exchange rate fluctuations between the functional currency and other currencies from the company's operating and financing activities. The Company hedges atleast 25% of its total exposure for 12 month as per policy.

Every percentage point depreciation / appreciation in the exchange rate between the Indian rupee and U.S.dollar on the exposure of \$ 0.45 million as on 31st March, 2020 and \$ 3.82 million as on 31st March, 2019, would have affected the Company's profit for the year as follows :

| | For the year ended 31st March, 2020 (₹ in Lakhs) | For the year ended 31st March, 2019 (₹ in Lakhs) |
|--|--|--|
| Impact on loss before tax for the year | 3.44 | 26.39 |

iii) Price risk

The Company's exposure to price risk in the investment in mutual funds and classified in the balance sheet as fair value through profit or loss. The Company's non-listed equity securities are susceptible to market price risk arising from uncertainties about future values of the investment securities. Management monitors the investments closely to mitigate its impact on profit and cash flows.

Credit risk

Trade Receivable:

Major receivables of the Company are from State distribution Companies (DISCOM) which are Government entities. The Company is regularly receiving its dues from DISCOM. Delayed payments carries interest as per the terms of agreements. Trade receivables are generally due for lesser than one year, accordingly in relation to these dues, the Company does not foresee any significant Credit Risk.

Other Financial Assets:

This comprises mainly of deposits with banks, investments in mutual funds, derivative assets and other intercompany receivables. Credit risk arising from these financial assets is limited and there is no collateral held against these because the counterparties are group companies, banks and recognised financial institutions. Banks and recognised financial institutions have high credit ratings assigned by the international credit rating agencies.

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 monitors its risk of shortage of funds using cash flow forecasting models. These models consider the maturity of its financial investments, committed funding and projected cash flows from operations. The Company's objective is to provide financial resources to meet its business objectives in a timely, cost effective and reliable manner and to manage its capital structure. A balance between continuity of funding and flexibility is maintained through continued support from lenders, trade creditors as well as through issue of equity shares.

The Company is into recent stage of operations with most of the projects capitalised in the recent financial years. The Company expects to generate positive cash flows from operations in order to meet its external financial liabilities as they fall due. The Company has understanding from other group entities to extend repayment terms of borrowings as required.

Maturity profile of financial liabilities:

The table below provides details regarding contractual maturities of financial liabilities at the reporting date based on contractual undiscounted payments.

| | Note No | Less than 1 year | 1 to 5 year | More than 5 Years | Total |
|---|------------|------------------|-------------|-------------------|-------------|
| (₹ in Lakhs) | | | | | |
| As at 31st March, 2020 | | | | | |
| Borrowings (Including Current Maturities) | 18, 22, 24 | 25,672.58 | 21,128.98 | 1,60,524.86 | 2,07,326.42 |
| Trade Payables | 23 | 310.61 | - | - | 310.61 |
| Other Financial Liabilities | 19 and 24 | 8,631.47 | - | - | 8,631.47 |
| (₹ in Lakhs) | | | | | |
| As at 31st March, 2019 | | | | | |
| Borrowings (Including Current Maturities) | 18, 22, 24 | 37,302.98 | 51,640.50 | 99,820.57 | 1,88,764.05 |
| Trade Payables | 23 | 1,300.15 | - | - | 1,300.15 |
| Other Financial Liabilities | 19 and 24 | 9,808.12 | 2,659.18 | - | 12,467.30 |

36 The Company has taken various derivatives to hedge its loans. The outstanding position of derivative instruments is as under:

| Nature | Purpose | As at 31st March, 2020 | | As at 31st March, 2019 | |
|---------------------|--|------------------------|-----------------------------------|------------------------|-----------------------------------|
| | | (₹ in Lakhs) | Foreign Currency (USD in Million) | (₹ in Lakhs) | Foreign Currency (USD in Million) |
| Currency Swap | Hedging of ECB / Foreign Currency Loans and interest | - | - | 1,49,368.36 | 215.99 |
| Forward Contract | Hedging of ECB Interest | 8,659.53 | 11.44 | - | - |
| Principal Only Swap | Hedging of Foreign Currency Bonds Principal | 1,89,843.49 | 250.90 | - | - |
| Total | | 1,98,503.02 | 262.34 | 1,49,368.36 | 215.99 |

The details of foreign currency exposures not hedged by derivative instruments are as under :-

| | As at 31st March, 2020 | | As at 31st March, 2019 | |
|--------------------------------|------------------------|-----------------------------------|------------------------|-----------------------------------|
| | (₹ in Lakhs) | Foreign Currency (USD in Million) | (₹ in Lakhs) | Foreign Currency (USD in Million) |
| Trade Payables and Acceptances | 343.55 | 0.45 | 2,638.92 | 3.82 |
| Total | 343.55 | 0.45 | 2,638.92 | 3.82 |

(Closing rate as at 31st March, 2020 : INR/USD - 75.665 and as at 31st March, 2019 : INR/USD - 69.155).

37 Fair Value Measurement :

a) The carrying value of financial instruments by categories as of 31st March, 2020 is as follows :

| (₹ in Lakhs) | | | | |
|--|---|-----------------------------------|--------------------|--------------------|
| Particulars | Fair Value through Other Comprehensive Income | Fair Value through profit or loss | Amortised cost | Total |
| Financial Assets | | | | |
| Cash and cash equivalents | - | - | 311.37 | 311.37 |
| Bank balances other than cash and cash equivalents | - | - | 1,341.43 | 1,341.43 |
| Investments | - | 7,354.77 | - | 7,354.77 |
| Trade Receivables | - | - | 159.59 | 159.59 |
| Loans | - | - | 10,850.96 | 10,850.96 |
| Derivative Assets | - | 8,465.33 | - | 8,465.33 |
| Other Financial assets | - | - | 22,098.88 | 22,098.88 |
| Total | - | 15,820.10 | 34,762.23 | 50,582.33 |
| Financial Liabilities | | | | |
| Borrowings (including current maturities) | - | - | 2,07,326.42 | 2,07,326.42 |
| Trade Payables | - | - | 310.61 | 310.61 |
| Other Financial Liabilities | - | - | 8,631.47 | 8,631.47 |
| Total | - | - | 2,16,268.50 | 2,16,268.50 |

b) The carrying value of financial instruments by categories as of 31st March, 2019 is as follows :

| (₹ in Lakhs) | | | |
|---|-----------------------------------|--------------------|--------------------|
| Particulars | Fair Value through profit or loss | Amortised cost | Total |
| Financial Assets | | | |
| Cash and cash equivalents | - | 2,518.55 | 2,518.55 |
| Bank balances other than | - | 780.58 | 780.58 |
| Trade Receivables | - | 221.46 | 221.46 |
| Loans | - | 3.01 | 3.01 |
| Other Financial assets | - | 11,719.35 | 11,719.35 |
| Total | - | 15,242.95 | 15,242.95 |
| Financial Liabilities | | | |
| Borrowings (including current maturities) | - | 1,88,764.05 | 1,88,764.05 |
| Trade Payables | - | 1,300.14 | 1,300.14 |
| Derivative Liabilities | 2,659.18 | - | 2,659.18 |
| Other Financial Liabilities | - | 9,808.12 | 9,808.12 |
| Total | 2,659.18 | 1,99,872.31 | 2,02,531.49 |

Notes:

(i) Fair value of financial assets and liabilities measured at amortised cost is not materially different from the fair value. Further, impact of time value of money is not significant for the financial instruments classified as current. Accordingly, the fair value has not been disclosed separately.

38 Fair Value hierarchy :

| | | (₹ in Lakhs) | | |
|------------------------|--|------------------------|----------|------------------|
| | | As at 31st March, 2020 | | |
| Particulars | | Level 2 | Level 3 | Total |
| Assets | | | | |
| Investments | | 7,354.77 | - | 7,354.77 |
| Derivative Assets | | 8,465.33 | - | 8,465.33 |
| Total | | 15,820.10 | - | 15,820.10 |
| Liabilities | | | | |
| Derivative Instruments | | - | - | - |
| Total | | - | - | - |
| | | As at 31st March, 2019 | | |
| Particulars | | Level 2 | Level 3 | Total |
| Assets | | | | |
| Investments | | - | - | - |
| Derivative Instruments | | - | - | - |
| Total | | - | - | - |
| Liabilities | | | | |
| Derivative Instruments | | 2,659.18 | - | 2,659.18 |
| Total | | 2,659.18 | - | 2,659.18 |

Notes:

(i) The fair values of investments in mutual fund units is based on the net asset value ('NAV') as stated by the issuers of these mutual fund units in the published statements as at Balance Sheet date. NAV represents the price at which the issuer will issue further units of mutual fund and the price at which issuers will redeem such units from the investors.

(ii) The fair values of the derivative financial instruments has been determined using valuation techniques with market observable inputs as at reporting date. The models incorporate various inputs including the credit quality of counter-parties and foreign exchange rates.

39 Pursuant to the Indian Accounting Standard (Ind AS- 33) – Earnings per Share, the disclosure is as under:

| | UOM | For the year ended 31st March, 2020 | For the year ended 31st March, 2019 |
|--|--------------|--|--|
| Basic and Diluted EPS | | | |
| (Loss) attributable to equity shareholders | (₹ in Lakhs) | (1,266.42) | (8,545.94) |
| Weighted average number of equity shares outstanding during the year | No. | 27,70,10,000 | 27,70,10,000 |
| Nominal Value of equity share | ₹ | 10 | 10 |
| Basic Earning Per Share | ₹ | (0.46) | (3.09) |
| Diluted Earning Per Share (refer note below for previous year) | ₹ | (0.46) | (3.09) |

Note : Since the number of shares to be issued on conversion of compulsory convertible debenture is to be ascertained based on fair value of shares at the time of conversion, the potential equity shares for the purpose of computing diluted EPS can not be ascertained.

40 Capital Management

The Company's objectives for managing capital is to safeguard continuity and healthy capital ratios in order to support its business and provide adequate return to shareholders through continuing growth. The Company's overall strategy remains unchanged from previous year.

The Company sets the amount of capital required on the basis of annual business and long-term operating plans which include capital and other strategic investments.

The funding requirements are met through a mixture of equity, internal fund generation, and other non current / current borrowings. The Company's policy is to use current and non current borrowings to meet anticipated funding requirements. The Company monitors capital on the basis of the net debt to equity ratio.

The Company believes that it will be able to meet all its current liabilities and interest obligation on timely manner. Since most of the current liabilities are from the Holding Company and Related party entities.

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately calls loan and borrowings. There have been no breaches in the financial covenants of any interest bearing loans and borrowings in the current period. No changes were made in the objectives, policies or processes for managing capital during the years ended 31st March, 2020 and 31st March, 2019.

| | | (₹ in Lakhs) | |
|--|-------------------|--|--|
| Particulars | Note | For the year ended 31st March, 2020 | For the year ended 31st March, 2019 |
| Net debt (total debt less cash and cash equivalents) (A) | 18, 22, 24 and 11 | 2,06,875.76 | 1,86,245.49 |
| Total capital (B) | 16 and 17 | 21,966.70 | 19,127.54 |
| Total capital and net debt C=(A+B) | | 2,28,842.46 | 2,05,373.03 |
| Gearing ratio (A/C) | | 90.40% | 90.69% |

41 As per Indian Accounting standard 19 "Employee Benefits", the disclosure as defined in the accounting standard are given below.

The status of gratuity plan as required under Ind AS-19 :

The Company operates a defined benefit plan (the Gratuity plan) covering eligible employees, which provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment.

| Particulars | As at 31st March, 2020 (₹ In Lakhs) | As at 31st March, 2019 (₹ In Lakhs) |
|---|---|---|
| I. Reconciliation of Opening and Closing Balances of Defined Benefit Obligation | | |
| Liability at the beginning of the year | 14.08 | 34.45 |
| Current Service Cost | 4.36 | 3.64 |
| Interest Cost | 0.87 | 0.76 |
| Acquisition adjustment | (2.67) | (24.67) |
| Re-measurement (or Actuarial) (gain) / loss arising from: | | |
| change in demographic assumptions | 0.84 | 0.35 |
| change in financial assumptions | 1.42 | 0.21 |
| experience variance (i.e. Actual experience vs assumptions) | 0.55 | (0.66) |
| Present Value of Defined Benefits Obligation at the end of the year | 19.45 | 14.08 |
| II. Reconciliation of Opening and Closing Balances of the Fair value of Plan Assets | | |
| Fair Value of Plan assets at the beginning of the year | - | - |
| Fair Value of Plan assets at the end of the year | - | - |
| III. Reconciliation of the Present value of defined benefit obligation and Fair value of plan assets | | |
| Present Value of Defined Benefit Obligations at the end of the year | (19.45) | (14.08) |
| Fair Value of Plan assets at the end of the year | - | - |
| Net (Liability) recognized in balance sheet as at the end of the year | (19.45) | (14.08) |
| IV. Gratuity Cost for the year | | |
| Current service cost | 4.36 | 3.64 |
| Interest cost | 0.87 | 0.76 |
| Net Gratuity cost recognised in the statement of Profit and Loss / Capital work in progress | 5.23 | 4.40 |
| V. Other Comprehensive Income | | |
| Actuarial (gains) / losses | | |
| Change in demographic assumptions | 0.84 | 0.35 |
| change in financial assumptions | 1.42 | 0.21 |
| Experience variance (i.e. Actual experience vs assumptions) | 0.55 | (0.66) |
| Components of defined benefit costs recognised in other comprehensive income | 2.81 | (0.10) |
| VI. Actuarial Assumptions | | |
| Discount Rate (per annum) | 6.70% | 7.60% |
| Annual Increase in Salary Cost | 8.00% | 8.00% |
| Attrition Rate | 7.00% | 9.70% |

vii. Sensitivity Analysis

Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate, expected salary increase and mortality. The sensitivity analysis below have been determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period, while holding all other assumptions constant. The results of sensitivity analysis is given below:

| Particulars | As at 31st March, 2020 (₹ In Lakhs) | As at 31st March, 2019 (₹ In Lakhs) |
|--|--|--|
| Defined Benefit Obligation (Base) | 19.45 | 14.08 |
| | As at 31st March, 2020 (₹ In Lakhs) | As at 31st March, 2019 (₹ In Lakhs) |
| | Decrease | Decrease |
| Discount Rate (- / + 1%) | 21.75 | 15.45 |
| (% change compared to base due to sensitivity) | 11.8% | 9.7% |
| Salary Growth Rate (- / + 1%) | 17.50 | 12.89 |
| (% change compared to base due to sensitivity) | -10.0% | -8.5% |
| Attrition Rate (- / + 50%) | 20.84 | 14.92 |
| (% change compared to base due to sensitivity) | 7.2% | 6.0% |
| Mortality Rate (- / + 10%) | 19.45 | 14.08 |
| (% change compared to base due to sensitivity) | 0.0% | 0.0% |

viii. Asset Liability Matching Strategies

The scheme is managed on unfunded basis.

ix. Effect of Plan on Entity's Future Cash Flows

a) Funding arrangements and Funding Policy

The scheme is managed on unfunded basis.

b) Expected Contribution during the next annual reporting period

The Company's best estimate of Contribution during the next year is Nil, as the scheme is managed on unfunded basis.

c) Maturity Profile of Defined Benefit Obligation

Weighted average duration (based on discounted cash flows) - 11 years

Expected cash flows over the next (valued on undiscounted basis):

| | (₹ In Lakhs) |
|--------------------|--------------|
| 1 year | 0.88 |
| 2 to 5 years | 5.01 |
| 6 to 10 years | 7.63 |
| More than 10 years | 33.30 |

x. The actuarial liability for leave encashment and compensated absences (including sick leave) as at year ended on 31st March, 2020 ₹ 17.36 Lakhs (as at the year ended 31st March 2019 is ₹ 12.96 Lakhs). (For applicable assumptions refer note (vi)).

(b) Defined Contribution Plan

Contribution to Defined Contribution Plans for the year is as under :

| | For the year ended 31st March, 2020 (₹ In Lakhs) | For the year ended 31st March, 2019 (₹ In Lakhs) |
|---|--|--|
| Employer's Contribution to Provident Fund | 14.08 | 15.96 |

42 Related party transactions**a. List of related parties and relationship**

The Management has identified the following entities and individuals as related parties of the Company for the year ended 31st March, 2020 for the purpose of reporting as per Ind AS 24 - Related Party Disclosure which are as under:-

| | | |
|---|---|---|
| Entities with joint control of, or significant influence over, the Parent Company | | S. B. Adani Family Trust (SBAFT) Adani Trading Services LLP Adani Properties Private Limited Universal Trade and Investments Limited |
| Immediate Holding Company | : | Parampujya Solar Energy Private Limited |
| Ultimate Holding Company | : | Adani Green Energy Limited |
| Entities under common control (with whom transactions done) | | Adani Infra (India) Limited Adani Logistics Limited Adani Global FZE Adani Enterprises Limited Kamuthi Renewable Energy Limited Adani Power Maharashtra Limited Adani Power Rajasthan Limited Adani Global DMCC Mundra Solar PV Limited Adani Power Jharkhand Limited Gujarat Adani Institute Of Medical Sciences Adani Power (Mundra) Limited Adani Vizhinjam Port Private Limited Adani Power Limited Adani Green Energy (Tamilnadu) Limited Adani Mundra SEZ Infrastructure Private Limited Adani Infrastructure Management Service Limited Adani Renewable Energy Park Rajasthan Limited Prayagra Developers Private Limited Adani Green Energy (UP) Limited Adani Green Energy (MP) Limited Adani Renewable Energy (RJ) Limited Adani Green Energy (MP) Limited Kodangal Solar Parks Private Limited Mahoba Solar (UP) Private Limited Gaya Solar (Bihar) Private Limited Adani Wind Energy (TN) Limited Adani Power Jharkhand Limited Adani Infrastructure and Developers Private Limited |
| Key Management Personnel | : | Abhilash Mehta, Whole-time-Director |
| | : | Unni Krishnan Gopal, Director (w.e.f. 14th, May, 2019) |
| | : | Dev Prakash Joshi, Director |
| | : | Parveen Soni, Chief Financial Officer (upto 2nd March, 2019) |
| | : | Ashish Garg, Director |
| | : | Ankit Shah, Chief Financial Officer (w.e.f. 8th March, 2019) |
| | : | Krishnakumar Mishra, Additional Director (w.e.f. 30th March, 2019) |
| | : | Sushama Oza, Independent Director |
| | : | Divy Dwivedi, Company Secretary (w.e.f. 10th December, 2018) |

Terms and conditions of transactions with related parties

Outstanding balances of related parties at the year-end are unsecured. Transaction entered into with related party are made on terms equivalent to those that prevail in arm's length transactions.

Notes:

The names of the related parties and nature of the relationships where control exists are disclosed irrespective of whether or not there have been transactions between the related parties. For others, the names and the nature of relationships is disclosed only when the transactions are entered into by the Company with the related parties during the existence of the related party relationship.

WARDHA SOLAR (MAHARASHTRA) PRIVATE LIMITED
Notes to financial statements as at and for the year ended on 31st March, 2020

42 b. Transactions With Related Parties
(₹ in Lakhs)

| Sr No. | Nature of Transaction | Related Party | For the year ended 31st March, 2020 | For the year ended 31st March, 2019 |
|--------|--|---|--|--|
| 1 | Loan Taken | Adani Green Energy Limited Parampujya Solar Energy Private Limited | 554.00 17,781.02 | 26,608.15 - |
| 2 | Loan Given | Adani Renewable Energy (RJ) Limited Adani Green Energy Limited | 12,335.00 4,399.80 | - - |
| 3 | Loan Received Back | Adani Mundra SEZ Infrastructure Private Limited Adani Infrastructure and Developers Private Limited Adani Renewable Energy (RJ) Limited Adani Green Energy Limited Mahoba Solar (UP) Private Limited | - - 1,886.00 4,000.00 - | 2,116.00 2,154.90 - - 3,577.43 |
| 4 | Loan Repaid Back | Adani Green Energy Limited | 29,427.83 | 16,114.00 |
| 5 | Conversion of Borrowing (Debt) to Loan | Parampujya Solar Energy Private Limited (refer note (i) below) | 17,690.26 | - |
| 6 | Interest Expense on Loan | Adani Green Energy Limited Parampujya Solar Energy Private Limited | 1,725.91 91.60 | 2,473.30 - |
| 7 | Interest Income on Loan | Adani Infrastructure & Developers Private Limited Adani Green Energy Limited Mahoba Solar (UP) Private Limited | - 16.45 - | 47.29 - 196.54 |
| 8 | Interest Expense on Debt | Parampujya Solar Energy Private Limited | 1,441.58 | 1,512.00 |
| 9 | Other Balances Transfer From Related Party | Adani Green Energy (Tamilnadu) Limited Adani Green Energy (UP) Limited Adani Green Energy (MP) Limited Parampujya Solar Energy Private Limited Prayatra Developers Private Limited Adani Renewable Energy Park Rajasthan Limited Adani Infrastructure Management Service Limited Adani Green Energy Limited Adani Power Limited Adani Power Rajasthan Limited Adani Power Maharashtra Limited | - 14.26 - - - 0.05 0.70 0.19 - - - | 1.35 0.22 1.09 0.49 0.39 0.36 3.03 3.47 0.10 1.50 1.50 |
| 10 | Other Balances Transfer to Related Party | Adani Green Energy Limited Adani Enterprises Limited Adani Green Energy (UP) Limited Parampujya Solar Energy Private Limited Adani Power (Mundra) Limited Adani Renewable Energy Park Rajasthan Limited Adani Vizhinjam Port Private Limited Adani Infrastructure Management Service Limited Adani Power Maharashtra Limited Adani Power Jharkhand Limited | - - 1.14 0.18 - 0.37 0.24 2.21 - - | 41.16 1.52 3.10 1.05 1.23 - 7.15 0.70 0.86 |
| 11 | Land Advance Transfer From | Parampujya Solar Energy Private Limited | - | 121.84 |
| 12 | Purchase of Capital Goods | Adani Global DMCC Adani Green Energy (Tamilnadu) Limited Adani Green Energy Limited Adani Green Energy (UP) Limited Parampujya Solar Energy Private Limited Kodangal Solar Parks Private Limited Mundra Solar PV Limited | - - - 190.37 34.14 2.93 - | 9,404.67 - 208.18 106.82 140.38 - 812.00 |
| 13 | Purchase of Asset | Parampujya Solar Energy Private Limited | 34.32 | - |
| 14 | Sale of Asset | Adani Renewable Energy Park Rajasthan Limited Adani Green Energy (MP) Limited Adani Green Energy (UP) Limited Parampujya Solar Energy Private Limited Gaya Solar (Bihar) Private Limited Adani Wind Energy (TN) Limited Gujarat Adani Institute Of Medical Sciences | - - 0.86 33.76 1.87 2.57 - | 3.20 13.28 - - - - 3.89 |
| 15 | Services Availed (Inclusive of repairs and maintenance of plant and equipment and legal and professional expenses) | Adani Green Energy Limited Adani Infrastructure Management Service Limited | 944.66 1,233.16 | 492.69 493.45 |
| 16 | Sale of Goods | Parampujya Solar Energy Private Limited Adani Green Energy Limited Kamuthi Renewable Energy Limited Adani Green Energy (Tamilnadu) Limited Adani Green Energy (UP) Limited | 25.20 16.86 10.83 - 36.98 | 20.75 52.80 - 4.45 382.18 |
| 17 | Interest | Adani Global DMCC Mundra Solar PV Limited | 2.70 - | 2,940.97 261.20 |
| 18 | Director Sitting Fees | Krishnakumar Chhaganlal Mishra | 0.65 | - |
| 19 | Corporate Guarantee Released | Adani Enterprises Limited and Adani Properties Private Limited (Jointly and Severally) | - | 22,000.00 |

WARDHA SOLAR (MAHARASHTRA) PRIVATE LIMITED
Notes to financial statements as at and for the year ended on 31st March, 2020

42 c. Balances With Related Parties

| Sr No. | Type of Balance | Related Party | As at 31st March, 2020 | As at 31st March, 2019 |
|--------|--|---|---------------------------|---------------------------|
| 1 | Borrowings (Loan) | Adani Green Energy Limited | - | 28,873.83 |
| | Borrowings (Debenture) | Parampujya Solar Energy Private Limited | 17,781.02 | 14,400.00 |
| 2 | Loans and Advances | Adani Renewable Energy (RJ) Limited | 10,449.00 | - |
| | | Adani Green Energy Limited | 399.80 | - |
| 3 | Interest Accrued but not due (Debenture) | Parampujya Solar Energy Private Limited | - | 1,848.82 |
| 4 | Interest Accrued and Due Receivable | Adani Enterprises Limited | - | 0.02 |
| 5 | Accounts Payables (Inclusive of Provisions, Trade Payable, Capital Creditors and Advance from Customers) | Adani Global DMCC | 16.51 | 2,630.83 |
| | | Adani Enterprises Limited | - | 1.52 |
| | | Mundra Solar PV Limited | - | 329.30 |
| | | Adani Renewable Energy Park Rajasthan Limited | 0.37 | - |
| | | Parampujya Solar Energy Private Limited | 134.96 | 142.72 |
| | | Adani Power Rajasthan Limited | - | 9.82 |
| | | Adani Power (Mundra) Limited | - | 1.23 |
| | | Adani Vizhinjam Port Private Limited | 0.24 | - |
| | | Adani Green Energy Limited | 821.26 | - |
| | | Adani Power Jharkhand Limited | - | 0.86 |
| | | Adani Green Energy (UP) Limited | - | 21.25 |
| | | Adani Infrastructure Management Service Limited | - | 125.80 |
| 6 | Accounts Receivables (Inclusive of Capital advance and advance for supply of goods and services) | Adani Green Energy (UP) Limited | - | - |
| | | Adani Green Energy Limited | - | 6,528.96 |
| | | Adani Green Energy (MP) Limited | - | 16.76 |
| | | Adani Green Energy (UP) Limited | 962.43 | - |
| | | Adani Vizhinjam Port Private Limited | - | - |
| | | Adani Wind Energy (TN) Limited | 3.03 | - |
| | | Adani Renewable Energy Park Rajasthan Limited | - | 4.14 |
| | | Adani Infrastructure Management Service Limited | 12.51 | - |
| | | Adani Power Maharashtra Limited | - | 6.28 |
| | | Adani Green Energy (Tamilnadu) Limited | 6.28 | 6.30 |
| | | Kodangal Solar Parks Private Limited | 1.49 | - |
| | | Gaya Solar (Bihar) Private Limited | 2.21 | - |
| | | Adani Logistics Limited | 0.33 | 0.33 |
| | | Prayatra Developers Private Limited | - | 0.39 |
| | | Kamuthi Renewable Energy Limited | 12.78 | - |
| | | Gujarat Adani Institute Of Medical Sciences | 4.56 | 4.56 |

Note:

(i) Debentures Issued to Parampujya Solar Energy Private Limited ₹ 14,400.00 lakhs and Interest accrued on the same of ₹ 3,290.26 lakhs have been converted Into Loans during the year.

43 The Company's activities during the year revolve around renewable power generation. Considering the nature of Company's business, as well as based on reviews by the chief operating decision maker to make decisions about resource allocation and performance measurement, there is only one reportable segment in accordance with the requirements of Ind AS - 108 – "Operating Segments", prescribed under Companies (Indian Accounting Standards) Rules, 2015. As the Company's all revenue is from domestic sales, no separate geographical segment is disclosed.

44 Due to micro, small and medium enterprises

On the basis of the information and records available with management, outstanding dues to the Micro and Small enterprise as defined in the MSMED Act, 2006 are disclosed as below.

| Particulars | As at 31st March, 2020 (₹ In Lakhs) | As at 31st March, 2019 (₹ In Lakhs) |
|--|---|---|
| Principal amount remaining unpaid to any supplier as at the year end. | 198.20 | 0.90 |
| Interest due thereon | - | - |
| Amount of interest paid by the company in terms of section 16 of the MSMED, along with the amount of the payment made to the supplier beyond the appointed day during the accounting year. | - | - |
| 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 period) but without adding the interest specified under the MSMED. | - | - |
| Amount of interest accrued and remaining unpaid at the end of the accounting year. | - | - |
| Amount of further interest remaining due and payable even in succeeding years. | - | - |
| The disclosure in respect of the amount payable to enterprises which have provided goods and services to the company and which qualify under the definition of micro and small enterprises, as defined under Micro, Small and Medium Enterprises Development Act, 2006 has been made in the Financial statement as at 31st March, 2020 based on the information received and available with the entities of company. | | |

45 Contract balances:

(a) The following table provides information about receivables, contract assets and contract liabilities from the contracts with customers.

| Particulars | As at 31st March, 2020 | (₹ in Lakhs) As at 1st April, 2019 |
|-----------------------------------|---------------------------|--|
| Trade receivables (refer note 10) | 159.59 | 221.46 |
| Contract assets (refer note 14) | 3,457.67 | 3,500.82 |

The contract assets primarily relate to the Company's right to consideration for work completed but not billed at the reporting date. The contract assets are transferred to receivables when the rights become unconditional. This usually occurs when the company issues an invoice to the Customer. The contract liabilities primarily relate to the advance consideration received from the customers. The Company does not have any remaining performance obligation for sale of goods.

(b) Significant changes in contract assets and liabilities during the period:

| Particulars | As at 31st March, 2020 | (₹ In Lakhs) As at 31st March, 2019 |
|---|---------------------------|---|
| Contract assets reclassified to receivables | 3,500.82 | - |

Reconciliation the amount of revenue recognised in the statement of profit and loss with the contracted price:

| Particulars | For the year ended 31st March, 2020 | (₹ In Lakhs) For the year ended 31st March, 2020 |
|---|--|--|
| Revenue as per contracted price | 35,089.14 | 34,834.77 |
| Adjustments | | |
| Discounts | 769.97 | 388.43 |
| Revenue from contract with customers | 34,319.17 | 34,446.34 |

46 The Company has refinanced its earlier borrowings through issuance of secured senior notes (US\$ denominated bonds). On account of such refinancing activities, the Company has incurred a onetime expense aggregating to ₹ 5,702.31 Lakhs. These expenses comprises of prepayment charges, unamortized portion of other borrowing cost related to earlier borrowings and cost of premature termination of derivative contracts. The same are treated as exceptional items in the financial statements.

47 On 20th September, 2019, vide the Taxation Laws (Amendment) Ordinance, 2019 ('the Ordinance'), the Government of India inserted Section 115BAA in the Income Tax Act, 1961 which provides domestic companies a non-reversible option to pay corporate tax at reduced rates effective 1st April, 2019, subject to certain conditions. The Company has decided to opt for the reduced corporate tax rates effective from 1st April, 2019. Accordingly, the Company has recognised Provision for Income Tax and has re-measured its deferred taxes as per the provisions of the Ordinance. This has resulted in a reduction of deferred tax assets by ₹ 532.36 Lakhs on account of remeasurement of deferred tax assets as at 31st March, 2019.

48 The Company has revised the method of charging depreciation and amortisation on Property, Plant and Equipment and Intangible assets from written down value method to straight line method, with effect from 1st April, 2019. Accordingly, depreciation and amortisation expenses are not comparable with previous year. Consequently, depreciation and amortisation expenses for the year ended on 31st March, 2020 is lower by ₹ 10,514.21 Lakhs. Hence, depreciation and amortisation expenses are not comparable with previous year.

49 Due to outbreak of COVID-19 globally and in India, the Company's management has made initial assessment of impact on business and financial risks on account of COVID-19 and believes that the impact is not significant. The management does not see any risks in the Company's ability to continue as a going concern and meeting its liabilities as and when they fall due.

MNRE has issued office memorandum dated 1st April, 2020 stating the regular payment to be made to Renewable Energy Generating Stations.

Further, MNRE has issued office memorandum dated 4th April, 2020 stating that Renewable Energy Generating Stations should be "MUST RUN" and should not be curtailed in lockdown due to COVID-19. Hence, the Company is not seeing any impact in revenue except normal seasonality impact.

50 Previous year figures have been regrouped and rearranged wherever necessary to conform to this year's classification.

51 Events occurring after the Balance sheet Date

The Company evaluates events and transactions that occur subsequent to the balance sheet date but prior to the approval of financial statements to determine the necessity for recognition and/or reporting of any of these events and transactions in the financial statements. As of 2nd May, 2019, there are no subsequent events to be recognized or reported that are not already disclosed.

52 Approval of financial

The financial statements were approved for issue by the board of directors on 2nd May, 2019.

In terms of our report attached
For Dharmesh Parikh & Co.
Chartered Accountants
Firm Registration Number : 112054W

Gothi Kantilal
Govabhai

Digitally signed by
Gothi Kantilal Govabhai
Date: 2020.05.02
22:05:03 +05'30'

Kanti Gothi
Partner
Membership Number. 127664

For and on behalf of board of directors of
Wardha Solar (Maharashtra) Private Limited

ABHILA
SH
MEHTA

Digitally signed
by ABHILA SH
MEHTA
Date:
2020.05.02
22:13:27 +05'00'

Abhilash Mehta
Whole time Director
DIN: 06860221

MAHMAD
RAZAK
AHMAD
KHATRI

Digitally signed
by MAHMAD
RAZAK AHMAD
KHATRI
Date: 2020.05.02
20:46:14 +05'00'

Razak Khatri
Additional Director
DIN: 08183513

Ankit Shah
Chief Financial Officer

Place : Ahmedabad
Date : 2nd May, 2020

Place : Ahmedabad
Date : 2nd May, 2020