

WALWHAN ENERGY RJ LIMITED

INDEPENDENT AUDITOR'S REPORT

To the Members of Walwhan Energy RJ Limited

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

We have audited the accompanying Ind AS financial statements of Walwhan Energy RJ Limited ("The Company"), which comprise the Balance sheet as at March 31, 2019, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, its profit including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

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

Other Information

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

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

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

Responsibility of Management for the Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness

Walwhan Energy RJ Limited
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of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Ind AS Financial Statements

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

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

- Identify and assess the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Ind AS financial statements, including the disclosures, and whether the Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
 - (a) We have sought and 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 as required by law have been kept by the Company so far as it appears from our examination of those books;
 - (c) The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
 - (d) In our opinion, the aforesaid Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
 - (e) On the basis of the written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 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 with reference to these Ind AS financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;
 - (g) The provisions of section 197 read with Schedule V of the Act are not applicable to the Company for the year ended March 31, 2019;
 - (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company does not have any pending litigations which would impact its financial position;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For S R B C & CO LLP

Chartered Accountants

ICAI Firm Registration Number: 324982E/E300003



per Suresh Yadav

Partner

Membership Number: 119878

Place of Signature: Mumbai

Date: April 15, 2019

Walwhan Energy RJ Limited

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Annexure 1 referred to in paragraph 1 under the heading 'Report on Other Legal and Regulatory Requirements' of our report of even date

Re: Walwhan Energy RJ Limited ('The Company')

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) Fixed assets have been physically verified by the management during the year and no material discrepancies were identified on such verification.
- (c) According to the information and explanations given by the management, the title deeds of immovable properties included in property, plant and equipment are held in the name of the Company.
- (ii) The inventory has been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable. No material discrepancies were noticed on such physical verification.
- (iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3(iii) (a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.
- (iv) In our opinion and according to the information and explanations given to us, there are no loans, investments, guarantees and securities given in respect of which provisions of section 185 and 186 of the Companies Act 2013 are applicable and hence not commented upon.
- (v) The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.
- (vi) To the best of our knowledge and as explained, the Central Government has not specified the maintenance of cost records under Section 148(1) of the Companies Act, 2013, for the products/services of the Company.
- (vii) (a) Undisputed statutory dues including provident fund, employees' state insurance, income-tax, duty of custom, goods and service tax, cess and other statutory dues have generally been regularly deposited with the appropriate authorities though there has been a slight delay in a few cases.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, goods and service tax, duty of custom, cess and other material statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.
- (c) According to the information and explanations given to us, there are no dues of income tax, goods and service tax, customs duty and cess which have not been deposited on account of any dispute.

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- (viii) The Company did not have any outstanding loans and borrowing dues in respect of a financial institution or bank or to government or dues to debenture holders during the year.
- (ix) According to the information and explanations given by the management, the Company has not raised any money way of initial public offer / further public offer / debt instruments and term loans hence, reporting under clause (ix) is not applicable to the Company and hence not commented upon.
- (x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud by the Company or no fraud on the Company by the officers and employees of the Company has been noticed or reported during the year.
- (xi) According to the information and explanations given by the management, the provisions of section 197 read with Schedule V of the Act are not applicable to the Company and hence reporting under clause 3(xi) are not applicable and hence not commented upon.
- (xii) In our opinion, the Company is not a nidhi company. Therefore, the provisions of clause 3(xii) of the order are not applicable to the Company and hence not commented upon.
- (xiii) According to the information and explanations given by the management, transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us and on an overall examination of the balance sheet, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence, reporting requirements under clause 3(xiv) are not applicable to the Company and, not commented upon.
- (xv) According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in section 192 of Companies Act, 2013.
- (xvi) According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

For S R B C & CO LLP

Chartered Accountants

ICAI Firm Registration Number: 324982E/E300003



per Suresh Yadav

Partner

Membership Number: 119878

Place of Signature: Mumbai

Date: April 15, 2019

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ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF WALWHAN ENERGY RJ LIMITED

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

We have audited the internal financial controls over financial reporting of Walwhan Energy RJ Limited ("The Company") as of March 31, 2019 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls over financial reporting with reference to these financial statements.

Meaning of Internal Financial Controls Over Financial Reporting With Reference to these Financial Statements

A company's internal financial control over financial reporting with reference to these financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting with reference to these financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of The Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

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Inherent Limitations of Internal Financial Controls Over Financial Reporting With Reference to these Financial Statements

Because of the inherent limitations of internal financial controls over financial reporting with reference to these financial statements, 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 with reference to these financial statements to future periods are subject to the risk that the internal financial control over financial reporting with reference to these financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, adequate internal financial controls over financial reporting with reference to these financial statements and such internal financial controls over financial reporting with reference to these financial statements were operating effectively as at March 31, 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For S R B C & CO LLP
Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003



per Suresh Yadav
Partner
Membership Number: 119878
Place of Signature: Mumbai
Date: April 15, 2019

Walwhan Energy RJ Limited
(Formerly known as Walwhan Energy RJ Private Limited and Welspun Solar Rajasthan Private Limited)
Balance Sheet as at March 31, 2019

Assets	Notes	As at March 31, 2019 INR lacs	As at March 31, 2018 INR lacs
Non-current assets			
Property, plant and equipment	7	8,300.94	8,710.70
Deferred tax assets (net)	21	114.72	10.95
Non current tax assets (net)	19	79.47	37.13
Other non-current assets	13	35.99	37.99
Total non-current assets		8,531.12	8,796.77
Current assets			
Financial assets			
Investments	8	38.96	63.67
Trade receivables	10	124.00	30.29
Unbilled Revenue		12.02	76.02
Cash and cash equivalents	12	6.01	25.06
Loans	9	8.20	0.20
Other financial assets	11	131.31	-
Other current assets	13	3.82	4.15
Total current assets		324.32	199.39
Total assets		8,855.44	8,996.16
Equity & liabilities			
Equity			
Equity share capital	14	1.00	1.00
Other equity	15	3,303.93	3,231.73
Total equity		3,304.93	3,232.73
Liabilities			
Non-current liabilities			
Financial liabilities			
Borrowings	16	4,832.14	5,182.44
Total non-current liabilities		4,832.14	5,182.44
Current liabilities			
Financial liabilities			
Borrowings	18	50.00	-
Trade payables			
(i) Outstanding dues other than micro and small enterprises		274.71	95.95
(ii) Outstanding dues of micro enterprises and small enterprises		-	-
Other financial liabilities	17	351.08	434.72
Other current liabilities	20	42.58	50.32
Total current liabilities		718.37	580.99
Total liabilities		5,550.51	5,763.43
Total equity and liabilities		8,855.44	8,996.16

Summary of Significant accounting policies 3
The accompanying notes are an integral part of the financial statements

As per our report of even date

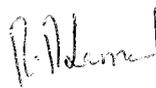
For S R B C & CO LLP
Chartered Accountants
Firm Registration No: 324982E/E300003



per Suresh Yadav
Partner
Membership No. 119878

Date: April 15, 2019
Place: Mumbai

For and on behalf of the Board of Directors



Rajiv Samant
Director
DIN 08165725

Date: April 15, 2019
Place: Mumbai



Satish Bhat
Director
DIN 07598210

Date: April 15, 2019
Place: Mumbai

Walwhan Energy RJ Limited
(Formerly known as Walwhan Energy RJ Private Limited and Welspun Solar Rajasthan Private Limited)
Statement of Profit & Loss account for the year ended March 31, 2019

	Notes	For the year ended March 31, 2019	For the year ended March 31, 2018
		INR lacs	INR lacs
Revenue from operations	22	1,194.55	1,452.78
Other income	23	8.92	11.25
Total income		1,203.47	1,464.03
Expenses			
Finance costs	24	504.53	581.58
Depreciation expense	25	409.76	408.16
Other expenses	26	224.37	118.91
Total expenses		1,138.66	1,108.65
Profit before tax		64.81	355.38
Tax expense			
Current tax (MAT)	27	96.38	154.70
Tax related to earlier years		-	87.22
Deferred tax charge/ (Credit)		(103.77)	55.16
Total tax expenses		(7.39)	297.08
Profit for the year		72.20	58.30
Other comprehensive income			
Item that will not be reclassified to profit and loss		-	-
Total comprehensive income for the year		72.20	58.30
Earnings per equity share (face value of share Rs. 10 each)			
(a) Basic (In Rs.)	28	722.00	583.00
(b) Diluted (In Rs.)	28	722.00	583.00

Summary of Significant accounting policies 3
The accompanying notes are an integral part of the financial statements

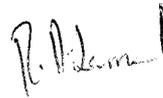
As per our report of even date

For S R B C & CO LLP
Chartered Accountants
Firm Registration No: 324982E/E300003



per Suresh Yadav
Partner
Membership No. 119878

For and on behalf of the Board of Directors



Rajiv Samant
Director
DIN 08165725



Satish Bhat
Director
DIN 07598210

Date: April 15, 2019
Place: Mumbai

Date: April 15, 2019
Place: Mumbai

Date: April 15, 2019
Place: Mumbai

Walwhan Energy RJ Limited

(Formerly known as Walwhan Energy RJ Private Limited and Welspun Solar Rajasthan Private Limited)

Cash flow statement for the year ended March 31, 2019

	For the year ended March 31, 2019	For the Year ended March 31, 2018
	INR lacs	INR lacs
A. Operating activities		
Profit before tax	64.81	355.38
Adjustments to reconcile profit before tax to net cash flows :		
Finance costs	504.30	581.58
Amortization of leasehold land	2.00	2.00
Change in fair value of investment	(8.92)	(5.61)
Interest on delay in realization of income	-	(5.64)
Depreciation expense	409.76	408.16
	971.95	1,335.87
Working capital adjustments :		
(Increase)/Decrease in trade receivables	(93.71)	334.55
(Increase)/Decrease in other current assets	0.33	(74.76)
Decrease in unbilled revenue	64.00	-
Increase in other non current assets	(131.31)	-
Increase in trade payables	178.76	79.99
Increase in other liabilities	(7.74)	35.48
	982.28	1,711.13
Income taxes paid	(138.72)	(207.21)
Net cash flows from operating activities	843.56	1,503.92
B. Investing activities		
Purchase of investment	(1,135.70)	(1,147.00)
Proceeds from sale of Mutual Fund investments	1,169.33	1,088.94
Interest on delay in realization of income	-	5.64
Loan given	(8.00)	-
Net cash flows used in investing activities	25.63	(52.42)
C. Financing activities		
Proceeds from borrowings	50.00	-
Repayment of Non Current borrowings	(460.00)	(1,264.58)
Interest paid	(478.24)	(170.48)
Net cash flows used in financing activities	(888.24)	(1,435.06)
Net Increase/Decrease in cash and cash equivalents (A+B+C)	(19.05)	16.44
Cash and cash equivalents at the beginning of the year	25.06	8.62
Cash and cash equivalents at the end of the year	6.01	25.06

Summary of Significant accounting policies 3

The accompanying notes are an integral part of the financial statements

As per our report of even date

For S R B C & CO LLP
Chartered Accountants
Firm Registration No: 324982E/E300003



per Suresh Yadav
Partner
Membership No. 119878

Date: April 15, 2019
Place: Mumbai

For and on behalf of the Board of Directors



Rajiv Samant Satish Bhat
Director Director
DIN 08165725 DIN 07598210

Date: April 15, 2019 Date: April 15, 2019
Place: Mumbai Place: Mumbai

Walwhan Energy RJ Limited
(Formerly known as Walwhan Energy RJ Private Limited and Welspun Solar Rajasthan Private Limited)
Statement of Changes in Equity for the year ended March 31, 2019

A. Equity share capital

	No of shares	INR (lacs)
Balance as at April 01, 2017	10,000	1.00
Changes in equity share capital during the year	-	-
Balance as at March 31, 2018	10,000	1.00
Balance as at April 01, 2018	10,000	1.00
Changes in equity share capital during the year	-	-
Balance as at March 31, 2019	10,000	1.00

B. Other equity

	INR (lacs)		
	Retained earnings	Equity component of compound financial instruments	Total
Balance as at April 01, 2017	930.37	2,243.06	3,173.43
Profit for the year	58.30	-	58.30
Balance as at March 31, 2018	988.67	2,243.06	3,231.73
Balance as at April 01, 2018	988.67	2,243.06	3,231.73
Profit for the year	72.20	-	72.20
Balance as at March 31, 2019	1,060.87	2,243.06	3,303.93

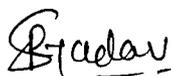
Summary of Significant accounting policies

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The accompanying notes are an integral part of the financial statements

As per our report of even date

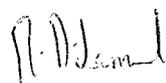
For S R B C & CO LLP
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per Suresh Yadav
Partner
Membership No. 119878

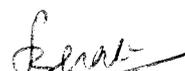
Date: April 15, 2019
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For and on behalf of the Board of Directors



Rajiv Samant
Director
DIN 08165725

Date: April 15, 2019
Place: Mumbai



Satish Bhat
Director
DIN 07598210

Date: April 15, 2019
Place: Mumbai

Walwhan Energy RJ Limited
(formerly known as Walwhan Energy RJ Private Limited and Welspun Solar Rajasthan Private Limited)
Notes forming part of the financial statements for the year ended March 31, 2019

1. Corporate information

Walwhan Energy RJ Limited (formerly known as "Walwhan Energy RJ Private Limited" and "Welspun Solar Rajasthan Private Limited") (the "Company") was incorporated on October 9, 2009 as a subsidiary company of Walwhan Renewable Energy Limited Limited (formerly known as "Walwhan Renewable Energy Private Limited" and "Welspun Renewables Energy Private Limited")

During the previous year, the name of the Company has been changed from Welspun Solar Rajasthan Private Limited to Walwhan Energy RJ Private Limited and thereafter to Walwhan Energy RJ Limited vide fresh certificate of incorporation dated September 28, 2017 and October 31, 2017.

The Principal business of the Company is to sell the power generated from wind projects in Rajasthan. Company has commissioned wind power project of 20 MW at Village Ola Bahala Basti Bhesada and Raigarh District Jaisalmer, Rajasthan on dated March 01, 2013.

The Company is a public limited company incorporated and domiciled in India and has its registered office at C/o The Tata Power Company Limited, Corporate Center B, 34 Sant Tukaram Road, Carnac Bunder Mumbai City - 400009.

The financial statements were authorised for issue in accordance with a resolution of the Directors on April 15, 2019.

2.1 Statement of compliance

The financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as notified under the Companies (Indian Accounting Standards) Rules, 2015 read with section 133 of the Companies Act, 2013 (the Act) (as amended from time to time).

The accounting policies adopted are consistent with those of the previous financial year except policy for booking for delayed payment charges and interest on delayed payments.

2.2 Basis of preparation and presentation

The financial statements have been prepared on a historical cost basis, except for the following assets and liabilities which have been measured at fair value-

- derivative financial instruments,
- certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments).

3 Significant Accounting Policies

3.1 Revenue recognition

a) Revenue from contracts with customers

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

Description of performance obligations is as follows:-

Revenue from sale of power is recognised net of estimated rebates and other similar allowances when the units of electricity is delivered.

Ind AS 115 supersedes Ind AS 11 Construction Contracts, Ind AS 18 Revenue and related interpretations and it applies, with limited exceptions, to all revenue arising from contracts with its customers. Ind AS 115 establishes a five-step model to account for revenue arising from contracts with customers and requires that revenue be recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

Ind AS 115 requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers. The standard also specifies the accounting for the incremental costs of obtaining a contract and the costs directly related to fulfilling a contract. In addition, the standard requires relevant disclosures.

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The transaction price for long term power purchase agreements is determined based on the expected plant load factor at the per unit rate of electricity for each year over the contract period. The transaction price is adjusted for significant financing component, if any and the adjustment is accounted as finance cost.

b) Dividend and interest income

Dividend income from investments is recognised when the shareholder's right to receive payment has been established.

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

c) Unbilled revenue

Unbilled revenue represents services rendered by the Company but not invoiced as at balance sheet date.

3.2 Leases

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

The Company as lessee

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Company is classified as a finance lease.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Company will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Operating lease payments are recognised as an expense in the statement of profit and loss on a straight-line basis over the lease term.

3.3 Foreign currencies

The functional currency of the Company is Indian rupee.

Income and expenses in foreign currencies are recorded at exchange rates prevailing on the date of the transaction. Foreign currency denominated monetary assets and liabilities are translated at the exchange rate prevailing on the balance sheet date and exchange gains and losses arising on settlement and restatement are recognised in the statement of profit and loss.

Non-monetary assets and liabilities that are measured in terms of historical cost in foreign currencies are not retranslated.

Exchange differences on monetary items are recognised in the statement of profit and loss in the year in which they arise except for exchange differences on foreign currency borrowings relating to assets under construction for future productive use.

3.4 Borrowing costs

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 statement of profit and loss in the period in which they are incurred.

3.5 Income Taxes

Income tax expense represents the sum of the tax currently payable and deferred tax.

a) Current tax

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

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

b) Deferred tax

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

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

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

For operations carried out under tax holiday period (80IA benefits of Income Tax Act, 1961), deferred tax assets or liabilities, if any, have been established for the tax consequences of those temporary differences between the carrying values of assets and liabilities and their respective tax bases that reverse after the tax holiday ends.

Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the relevant entity intends to settle its current tax assets and liabilities on a net basis.

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

Deferred tax assets include Minimum Alternative Tax (MAT) paid in accordance with the tax laws in India, which is likely to give future economic benefits in the form of availability of set off against future income tax liability. Accordingly, MAT is recognised as deferred tax asset in the balance sheet when the asset can be measured reliably and it is probable that the future economic benefit associated with the asset will be realised. The Company reviews the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent that it is no longer probable that it will pay normal tax during the specified period.

In the situations where one or more units of the Company are entitled to a tax holiday under the tax law, no deferred tax (asset or liability) is recognized in respect of temporary differences which reverse during the tax holiday period, to the extent the concerned unit's gross total income is subject to the deduction during the tax holiday period. Deferred tax in respect of temporary differences which reverse after the tax holiday period is recognized in the year in which the temporary differences originate. However, the Company restricts recognition of deferred tax assets to the extent it is probable that sufficient future taxable income will be available against

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which such deferred tax assets can be realized. For recognition of deferred taxes, the temporary differences which originate first are considered to reverse first.

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. 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.

3.6 Property, plant and equipment

Property, plant and equipment is stated at cost less accumulated depreciation and accumulated impairment losses, if any. Cost includes purchase price (net of trade discount and rebates) and any directly attributable cost of bringing the asset to its working condition for its intended use and for qualifying assets, borrowing costs capitalised in accordance with the Company accounting policy. Capital work in progress is stated at cost, net of accumulated impairment loss, if any. Cost includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in statement of profit and loss as incurred.

Depreciation

Depreciation commences when an asset is ready for its intended use. Freehold land and assets held for sale are not depreciated.

Depreciation is recognised on the cost of assets (other than freehold land and properties under construction) less their residual values over their estimated useful lives, using the straight-line method.

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis. The Company, based on technical assessment made by technical expert and management estimate, depreciates certain items of building, plant and equipment over estimated useful lives which are different from the useful life prescribed in Schedule II to the Companies Act, 2013. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

Estimated useful lives of the assets are as follows:

Buildings - 25 Years
Plant and Machinery - 25 Years
Computer and Networking - 3 Years
Furniture and fixture - 10 years
Office equipment - 5 years
Vehicle - 10 years

Decapitalisation

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 statement of profit and loss.

3.7 Impairment of tangible assets

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

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

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. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such

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transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Company bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Company's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year. To estimate cash flow projections beyond periods covered by the most recent budgets/forecasts, the Company extrapolates cash flow projections in the budget using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified. In any case, this growth rate does not exceed the long-term average growth rate for the market in which the asset is used.

3.8 Inventories

Inventories are stated at the lower of cost and net realisable value. Costs incurred in bringing each product to its present location and condition are accounted for as follows:

- Cost of inventory includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition.
- Costs of inventories are determined on weighted average basis.

Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

Unserviceable/damaged stores and spares are identified and written down based on technical evaluation.

3.9 Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company 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. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

3.10 Financial instruments

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

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities 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 or loss are recognised immediately in the statement of profit and loss.

3.10.1 Financial assets

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

a) Financial assets at amortised cost

Financial assets are subsequently measured at amortised cost using the effective interest method if these financial assets are held within a business whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

b) Financial assets at fair value through other comprehensive income

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling 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.

On initial recognition, the Company makes an irrevocable election on an instrument-by-instrument basis to present the subsequent changes in fair value in other comprehensive income pertaining to investments in equity instruments, other than equity investment which are held for trading. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the 'Reserve for equity instruments through other comprehensive income'. The cumulative gain or loss is not reclassified to profit or loss on disposal of the investments.

c) Financial assets at fair value through profit or loss (FVTPL)

Investments in equity instruments are classified as at FVTPL, unless the Company irrevocably elects on initial recognition to present subsequent changes in fair value in other comprehensive income for investments in equity instruments which are not held for trading.

Other financial assets are measured at fair value through profit or loss unless it is measured at amortised cost or at fair value through other comprehensive income on initial recognition. The transaction costs directly attributable to the acquisition of financial assets and liabilities at fair value through profit or loss are immediately recognised in statement of profit and loss.

d) Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is primarily derecognised (i.e. removed from the Company balance sheet) when:

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

When the Company has transferred its right to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

e) Impairment of financial assets

The Company assesses at each date of balance sheet whether a financial asset or a group of financial assets is impaired. Ind AS 109 requires expected credit losses to be measured through a loss allowance. The Company recognises lifetime expected losses for all contract assets and / or all trade receivables that do not constitute a financing transaction. For all other financial assets, expected credit losses are measured at an amount equal to the 12 month expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition.

3.10.2 Financial Liabilities and Equity Instruments

a) Classification as debt or equity

Debt and equity instruments issued by a 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.



b) 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.

c) Financial liabilities

All financial liabilities are recognised initially at fair value and in case of financial liabilities at amortised cost, net of directly attributable transaction costs.

All financial liabilities are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in statement of profit and loss when the liabilities are derecognised as well as through the Effective Interest Rate (EIR) amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

d) Derecognition

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

e) Financial guarantee contracts

Financial guarantee contracts issued by the Company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less cumulative amortisation.

f) Derivative financial instruments

The Company enters into a variety of derivative financial instruments to manage its exposure to interest rate and foreign exchange rate risks, including foreign exchange forward contracts, interest rate swaps and cross currency swaps.

Derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting year. The resulting gain or loss is recognised in statement profit and loss immediately.

g) Reclassification of financial assets and liabilities

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Company's senior management determines change in the business model as a result of external or internal changes which are significant to the Company's operations. Such changes are evident to external parties. A change in the business model occurs when the Company either begins or ceases to perform an activity that is significant to its operations. If the Company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting year following the change in business model. The Company does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.



h) Offsetting of financial instruments

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

3.11 Current versus 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,
- held primarily for the purpose of trading,
- expected to be realised within twelve months after the reporting year, or
- cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting year.

All other assets are classified as non-current.

A liability is current when:

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

The Company classifies all other liabilities as non-current.

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

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

3.12 Contingent Liabilities

Contingent liabilities are disclosed in the financial statements by way of notes to accounts, unless possibility of an outflow of resources embodying economic benefit is remote.

3.13 Cash and cash equivalents

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

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

3.14 Cash Flow Statement

Cash flows are reported using the indirect method, where by profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

3.15 Earnings per share

Basic earnings per equity share is computed by dividing the net profit attributable to the equity holders of the Company by the weighted average number of equity shares outstanding during the period. Diluted earnings per equity share is computed by dividing the net profit attributable to the equity holders of the Company (after adjustment for income in respect of dilutive potential ordinary shares) by the weighted average number of equity shares considered for deriving basic earnings per equity share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. The dilutive potential equity shares are adjusted for the proceeds receivable had the equity shares been actually issued at fair value (i.e.

the average market value of the outstanding equity shares). Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented.

The number of equity shares and potentially dilutive equity shares are adjusted retrospectively for all periods presented for any share splits and bonus shares issues including for changes effected prior to the approval of the financial statements by the Board of Directors.

4 Standards issued but not yet effective

The amendments to standards that are issued, but not yet effective, up to the date of issuance of the Company's financial statements are disclosed below. The Company intends to adopt these standards, if applicable, when they become effective.

a) Ind AS 116 – Leases

Ind AS 116 Leases was notified in March 2019 and it replaces Ind AS 17 Leases. Ind AS 116 is effective for annual periods beginning on or after 1 April 2019. It sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under Ind AS 17. Lessor accounting under Ind AS 116 is substantially unchanged from today's accounting under Ind AS 17. Ind AS 116 requires lessees and lessors to make more extensive disclosures than under Ind AS 17. The Company is in the process of evaluating the requirements of the standard and its impact on its financial statements.

b) Ind AS 12 – Income taxes (amendments relating to income tax consequences of dividend and uncertainty over income tax treatments)

The amendment relating to income tax consequences of dividend clarify that an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events. The company does not expect any impact from this pronouncement. It is relevant to note that the amendment does not amend situations where the entity pays a tax on dividend which is effectively a portion of dividends paid to taxation authorities on behalf of shareholders. Such amount paid or payable to taxation authorities continues to be charged to equity as part of dividend, in accordance with Ind AS 12.

The amendment to Appendix C of Ind AS 12 specifies that the amendment is to be applied to the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. It outlines the following: (1) the entity has to use judgement, to determine whether each tax treatment should be considered separately or whether some can be considered together. The decision should be based on the approach which provides better predictions of the resolution of the uncertainty (2) the entity is to assume that the taxation authority will have full knowledge of all relevant information while examining any amount (3) entity has to consider the probability of the relevant taxation authority accepting the tax treatment and the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates would depend upon the probability. The Company does not expect any significant impact of the amendment on its financial statements.

c) Ind AS 109 – Prepayment Features with Negative Compensation

The amendments relate to the existing requirements in Ind AS 109 regarding termination rights in order to allow measurement at amortised cost (or, depending on the business model, at fair value through other comprehensive income) even in the case of negative compensation payments. The Company does not expect this amendment to have any impact on its financial statements.

d) Ind AS 19 – Plan Amendment, Curtailment or Settlement

The amendments clarify that if a plan amendment, curtailment or settlement occurs, it is mandatory that the current service cost and the net interest for the period after the re-measurement are determined using the assumptions used for the re-measurement. In addition, amendments have been included to clarify the effect of a plan amendment, curtailment or settlement on the requirements regarding the asset ceiling. The Company does not expect this amendment to have any significant impact on its financial statements.

e) Ind AS 23 – Borrowing Costs

The amendments clarify that if any specific borrowing remains outstanding after the related asset is ready for its intended use or sale, that borrowing becomes part of the funds that an entity borrows generally when calculating the capitalisation rate on general borrowings. The Company does not expect any impact from this amendment.

5 Changes in accounting policies and disclosures

Accounting of Delayed Payment Charges

Delayed payment charges were hitherto recognized only when they are realised/recovered. With effect from April 01, 2018, the Company has revised its accounting policy to recognize Delayed Payment Charges (DPC) on accrual basis based on contractual terms and an assessment of certainty of realization which could be based either an acknowledgement of the charges by the concerned customer or if a regulatory or statutory body passes a favourable order. Management believes that this policy results in the financial statements providing reliable and more relevant information about the effects of transaction on the Company financial position and performance. The revision in accounting policy has been applied retrospectively and does not have any significant impact on current year and previous year statement of profit and loss and retained earnings as at March 31, 2017.

6 Critical accounting estimates and judgements

In the application of the Company accounting policies, management of the Company is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimate is revised if the revision affects only that year, or in the year of the revision and future years if the revision affects both current and future years. Detailed information about each of these estimates and judgements is included in relevant notes together with information about the basis of calculation for each affected line item in the financial statements.

The areas involving critical estimates or judgements are:

Estimation of current tax and deferred tax expense (including Minimum Alternate Tax credit) - Note 21 and 27

Estimates and judgement are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Company and that are believed to be reasonable under the circumstances.



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7. Property, plant and equipment

Description	INR (lacs)		Gross block	Accumulated Depreciation	Net block	
	As at March 31, 2019	As at March 31, 2018			As at March 31, 2019	As at March 31, 2018
Plant and Machinery	8,300.83	8,710.59	-	409.76	8,300.83	8,710.59
Computer and networking	0.11	0.11	-	-	0.11	0.11
Total	8,300.94	8,710.70	-	409.76	8,300.94	8,710.70
Description	INR (lacs)		Gross block	Accumulated Depreciation	Net block	
	As at April 01, 2018	As at April 01, 2018			As at March 31, 2019	As at March 31, 2018
1 Plant and Machinery	10,991.95	2,281.36	-	409.76	8,300.83	8,710.59
2 Computer and networking	2.20	2.09	-	-	0.11	0.11
Total	10,994.15	2,283.45	-	409.76	8,300.94	8,710.70
Description	INR (lacs)		Gross block	Accumulated Depreciation	Net block	
	As at April 01, 2017	As at April 01, 2017			As at March 31, 2018	As at March 31, 2017
1 Plant and Machinery	10,991.95	1,873.20	-	408.16	8,710.59	9,118.75
2 Computer and networking	2.20	2.09	-	-	0.11	0.11
Total	10,994.15	1,875.29	-	408.16	8,710.70	9,118.86

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8. Investment

Mutual Funds (Quoted) (valued at fair value)
DSP BlackRock Liquidity Fund - Direct-Growth
(March 31, 2019: 1463.723 units, March 31, 2018 : 2561.896 units)
Total

As at March 31, 2019	As at March 31, 2018
INR lacs	INR lacs
38.96	63.67
38.96	63.67

8.1 Category-wise other investments-as per Ind AS 109 classification

Financial assets carried at fair value through profit or loss (FVTPL)
Mandatorily measured at FVTPL (Quoted mutual fund)

As at March 31, 2019	As at March 31, 2018
INR lacs	INR lacs
38.96	63.67

9. Loans

Non current

Security deposits (Unsecured, considered good)
Advances to vendor

As at March 31, 2019	As at March 31, 2018
INR lacs	INR lacs
0.20	0.20
8.00	-
8.20	0.20

10. Trade receivable

Current

Trade receivables
Unsecured considered good (Refer note 10.1)

As at March 31, 2019	As at March 31, 2018
INR lacs	INR lacs
124.00	30.29
124.00	30.29

10.1 Trade receivable
Age of receivables

Within the credit period
1-90 days past due
91-182 days past due
More than 182 days past due

As at March 31, 2019	As at March 31, 2018
INR lacs	INR lacs
41.14	-
66.99	9.90
15.87	20.39
-	-
124.00	30.29

The credit risk is very limited due to the fact that the customers are government entities.

11. Other financial assets

Current

(a) Insurance claim receivable*

As at March 31, 2019	As at March 31, 2018
INR lacs	INR lacs
131.31	-
131.31	-

* Insurance Claim against generation loss will be received from Tata-AIG General Insurance Co. Ltd.

12. Cash and cash equivalents

(a) Balances with Banks:
(i) In Current Accounts

As at March 31, 2019	As at March 31, 2018
INR lacs	INR lacs
6.01	25.06
6.01	25.06

13. Other assets

Non-current

(b) Prepayment for leasehold land

As at March 31, 2019	As at March 31, 2018
INR lacs	INR lacs
35.99	37.99
35.99	37.99

Current

(a) Prepaid Expenses
(b) Prepayment for lease hold land

1.82	2.15
2.00	2.00
3.82	4.15

Walwhan Energy RJ Limited
(Formerly known as Walwhan Energy RJ Private Limited and Welspun Solar Rajasthan Private Limited)
Notes to the Financial Statements for the year ended March 31, 2019

14. Equity share capital

	As at March 31, 2019 INR lacs	As at March 31, 2018 INR lacs
Equity share Capital		
Authorised share capital		
30,000,000 equity shares of Rs. 10 each	3,000	3,000
Issued, paid up and subscribed share capital		
10,000 equity shares of Rs. 10 each fully paid-up	1.00	1.00
	1.00	1.00

14.1 Fully paid equity shares

	Number of Shares	INR lacs Share capital
Balance as at 1 April, 2017	10,000	1.00
Movements during the year	-	-
Balance as at 31 March, 2018	10,000	1.00
Movements during the year	-	-
Balance as at 31 March, 2019	10,000	1.00

14.2 Details of share held by holdings company , its subsidiaries and associates

	Number of Shares
As at 31 March 2019	
Walwhan Renewable Energy Limited*(Formerly known as Welspun Renewable Energy Pvt Ltd)	10,000.00
*Including six equity shares held by nominee shareholders on behalf of WREL	
As at 31 March, 2018	
Walwhan Renewable Energy Limited (Formerly known as Welspun Renewable Energy Pvt Ltd)	10,000.00
*Including six equity shares held by nominee shareholders on behalf of WREL	

14.3 Details of shares held by each shareholder holding more than 5%

	As at March 31, 2019	
	Number of shares held	% holding of Equity shares
Fully paid equity shares		
Walwhan Renewable Energy Limited (Formerly known as Welspun Renewable Energy Pvt Ltd)	10,000.00	100.00%
	As at March 31, 2018	
	Number of shares held	% holding of Equity shares
Fully paid equity shares		
Walwhan Renewable Energy Limited (Formerly known as Welspun Renewable Energy Pvt Ltd)	10,000.00	100.00%

14.4 Terms/rights attached to equity shares

- (a) Fully paid equity shares which have a par value of Rs. 10 each, carry one vote per share and carry a right to dividends. The company declares and pays dividends in Indian rupees.

In the event of liquidation of the company, the holders of 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 shareholders.

15. Other equity

	As at March 31, 2019 INR lacs	As at March 31, 2018 INR lacs
Retained earnings (Refer note no. 15.1)	1,060.87	988.67
Equity component of interest free related party loans (Refer note no. 15.2)	2,243.06	2,243.06
	3,303.93	3,231.73

15.1 Retained earnings

	As at March 31, 2019 INR lacs	As at March 31, 2018 INR lacs
Balance at the beginning of the year	988.67	930.37
Profit attributable to owners of the Company	72.20	58.30
Balance at the end of the year	1,060.87	988.67

15.2 Equity component of interest free related party loans

	As at March 31, 2019 INR lacs	As at March 31, 2018 INR lacs
Balance at the beginning of the year	2,243.06	2,243.06
Accounted during the year	-	-
Balance at the end of the year	2,243.06	2,243.06

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Walwhan Energy RJ Limited
(Formerly known as Walwhan Energy RJ Private Limited and Welspun Solar Rajasthan Private Limited)
Notes to the Financial Statements for the year ended March 31, 2019

16. Non-current borrowings

	As at March 31, 2019	As at March 31, 2018
	INR lacs	INR lacs
Unsecured - at amortised cost		
(i) Liability component of Interest free related party loan (refer note 29)	1,104.12	994.42
(ii) Loans from related parties (refer note 29)	3,728.02	4,188.02
	4,832.14	5,182.44

16.1 Terms of repayment

As at March 31, 2019

Unsecured - at amortised cost

(i) Liability component of interest free related party loan

Interest free loan taken from Holding Company i.e. Walwhan Renewable Energy Limited. The Company has accounted said loan as per Ind AS 109.

(ii) Loans from related parties

Loan from related parties includes loan taken from Walwhan Renewable Energy Limited (Holding Company). During the current year Repayment terms of loan has been varied. As per amended agreement loan is repayable as a bullet repayment at the end of 10 years from the date of disbursement of loan, loan is unsecured and carry interest @ 10% p.a. Also as per agreement terms, the Company can prepay a part or entire amount of loan without any prepayment premium.

17. Other financial liabilities

	As at March 31, 2019	As at March 31, 2018
	INR lacs	INR lacs
Current		
Interest accrued but not due on related party loan (refer note 26)	351.08	434.72
	351.08	434.72

18. Current borrowings

	As at March 31, 2019	As at March 31, 2018
	INR lacs	INR lacs
Unsecured - at amortised cost		
a) Loans from related parties (refere note 29)	50.00	-
	50.00	-

* The company entered into Inter corporate deposits with Walwhan Renewable Energy limited and is unsecured. Prepayment terms: the Principal is repayable at the end of tenure along with interest and interest rate is 7.70%

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Walwhan Energy RJ Limited
(Formerly known as Walwhan Energy RJ Private Limited and Welspun Solar Rajasthan Private Limited)
Notes to the Financial Statements for the year ended March 31, 2019

19. Tax assets and liabilities

	As at March 31, 2019	As at March 31, 2018
	INR lacs	INR lacs
Non current tax assets		
Advance tax (net of provisions)	79.47	37.13
	79.47	37.13

20. Other liabilities

	As at March 31, 2019	As at March 31, 2018
	INR lacs	INR lacs
Current		
Statutory liabilities	42.58	50.32
	42.58	50.32

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Walwhan Energy RJ Limited
(Formerly known as Walwhan Energy RJ Private Limited and Welspun Solar Rajasthan Private Limited)
Notes to the Financial Statements for the year ended March 31, 2019

21. Deferred tax balances

	As at March 31, 2019	As at March 31, 2018
	INR lacs	INR lacs
Deferred tax assets	615.44	519.08
Deferred tax liabilities	(500.72)	(508.13)
	114.72	10.95
	As at March 31, 2019	As at March 31, 2018
	INR lacs	INR lacs
Deferred tax is on account of :		
Depreciation on Property, Plant and Equipment	(1,128.00)	(1,016.46)
Unabsorbed depreciations	627.28	508.33
Total	(500.72)	(508.13)
Add: MAT credit entitlement	615.44	519.08
Net deferred Tax Asset	114.72	10.95
Reconciliation of deferred tax assets/(liabilities) (net)		
Opening Balances at the beginning of the year	10.95	66.11
Tax (expense)/ income during the year	103.77	(55.16)
Closing balances at the end of year	114.72	10.95

The Company is eligible for tax holiday under section 80IA of Income Tax Act, 1961 and planning to avail the tax holiday benefit from the Financial year 2024-25 to 2026-27. Accordingly, net deferred tax liabilities for timing differences originating as on Balance Sheet date and reversing within the tax holiday period has not been recognized.

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Walwhan Energy RJ Limited
(Formerly known as Walwhan Energy RJ Private Limited and Welspun Solar Rajasthan Private Limited)
Notes to the Financial Statements for the year ended March 31, 2019

22. Revenue from operations

	For the year ended March 31, 2019	For the year ended March 31, 2018
	INR lacs	INR lacs
(a) Sale of power		
(i) Sale of electricity	983.33	1,331.04
Less : Rebate / Discount	(12.75)	(6.29)
Sale of electricity	970.58	1,324.75
(b) Other operation revenue		
(i) Electricity generation based incentive	92.66	128.03
(ii) Compensation income (net)	131.31	-
	1,194.55	1,452.78

Details of Revenue from contract with customers

	For the year ended March 31, 2019	For the year ended March 31, 2018
	INR lacs	INR lacs
Revenue from power supply (net of rebate/discount)	970.58	1,324.75
Generation based incentive	92.66	128.03
Compensation earned	131.31	-
Total revenue from contract with customers	1,194.55	1,452.78
Add : Rebate/ Discount	12.75	6.29
Total revenue as per contracted price	1,207.30	1,459.07

Contract balances

	For the year ended March 31, 2019	For the year ended March 31, 2018
	INR lacs	INR lacs
Contract assets		
Deferred revenue to customers	-	-
Total Contract assets	-	-
Contract liabilities		
Deferred revenue from customers	-	-
Total Contract Liabilities	-	-
Receivables		
Trade receivables (Gross)	124.00	30.29
Unbilled revenue	12.02	76.02
Net receivables	136.02	106.31

Contract asset is the right to consideration in exchange for goods or services transferred to the customer. Contract liability is the entity's obligation to transfer goods or services to a customer for which the entity has received consideration from the customer in advance. Contract assets are transferred to receivables when the rights become unconditional and contract liabilities are recognized as and when the performance obligation is satisfied.

Disaggregation of Revenue

The Company has a single stream of revenue i.e. sale of power.

23. Other income

	For the year ended March 31, 2019	For the year ended March 31, 2018
	INR lacs	INR lacs
(a) Other non operating income		
Interest on delay in realization of income	-	5.64
(b) Other gains & losses		
Change in fair of mutual fund investments	8.92	5.61
	8.92	11.25

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Walwhan Energy RJ Limited
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Notes to the Financial Statements for the year ended March 31, 2019

24. Finance costs

	For the year ended March 31, 2019	For the year ended March 31, 2018
	INR lacs	INR lacs
(a) Interest costs :		
Interest on related party loans (Refer note no. 29)	504.30	581.58
(b) Other borrowing cost :		
Others	0.23	-
	504.53	581.58

25. Depreciation expense

	For the year ended March 31, 2019	For the year ended March 31, 2018
	INR lacs	INR lacs
Depreciation of property, plant and equipment	409.76	408.16
	409.76	408.16

26. Other expenses

	For the year ended March 31, 2019	For the year ended March 31, 2018
	INR lacs	INR lacs
Repairs and Maintenance	181.43	88.12
Cost of services	1.65	-
Other Operation Expenses	7.26	12.46
Expenditure on Corporate Social Responsibility [Refer note (ii) below]	18.91	1.89
Insurance	4.85	5.38
Consultant Fees	1.75	1.81
Payments to auditors [Refer note (i) below]	5.96	6.52
Lease rentals [Refer note no. 32]	1.13	0.38
Miscellaneous expenses	1.43	2.35
	224.37	118.91

(i) Payment to the auditors

	For the year ended March 31, 2019	For the year ended March 31, 2018
For statutory audit	2.07	3.25
For limited review	2.66	2.07
For tax audit	1.18	1.18
Out of pocket expense	0.05	0.02
	5.96	6.52

(ii) Corporate Social Responsibility Expenses

	For the year ended March 31, 2019	For the year ended March 31, 2018
Contribution to Tata Power Community Development Trust	18.91	1.50
Expenses incurred by the Company	-	0.39
Total	18.91	1.89
Amount required to be spent as per section 135 of the Act	4.28	7.45
Amount spent during the year on:		
(a) Construction/Acquisition of asset	-	-
(b) On purposes other than (a) above	18.91	1.89

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Walwhan Energy RJ Limited
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Notes to the Financial Statements for the year ended March 31, 2019

27. Income taxes

Income taxes recognised in profit and loss

	For the year ended March 31, 2019	For the year ended March 31, 2018
	INR lacs	INR lacs
Current tax		
In respect of the current year	96.38	154.70
In respect of the previous years	-	87.22
	96.38	241.92
Deferred tax expense/(credit)		
In respect of the current year	(7.39)	294.92
MAT credit in respect of the current year	(96.38)	(154.70)
MAT credit in respect of earlier year	-	(85.06)
	(103.77)	55.16
Total income tax (credit)/expense recognised	(7.39)	297.08

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

	For the year ended March 31, 2019	For the year ended March 31, 2018
	INR lacs	INR lacs
Profit Before Tax considered for tax working	64.81	355.38
Income tax expense calculated at 29.12% for FY 2018-19 and 27.5525% for FY 2017-18	18.87	97.92
Effect of expenses that are not deductible in determining taxable profit	6.15	28.22
Effect of movement on which no deferred tax was recognised or adjustments arising in current year	(32.42)	141.43
Effect of additional tax on account of Minimum Alternate Tax (MAT) applicability	-	-
Effect of changes in tax rates	-	27.35
Effect of Other Items - Recognition of MAT Credit & tax paid for earlier years	-	2.16
Income tax expense recognized in statement of profit or loss at effective income tax rate of 11.40 % (March 31, 2019) , (March 31, 2018 : (83.60%)	(7.39)	297.08

- Note:-
1. The tax rates used for the years 2018-19 and 2017-18 reconciliation above is the corporate tax rate of 29.12% and 27.5525% respectively as payable by corporate entities in India on taxable profits under the Indian tax law.
 2. The Company has to pay taxes based on the higher of Income Tax profit of the company or MAT at 18.5% & 20.3885% of book profit for the year 2018-19 and 2017-18 respectively.
 3. The Minimum Alternate Tax (MAT) rate applicable is 18.5% & 20.3885% of the book profit for the year 2018-19 and 2017-18 respectively.

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Walwhan Energy RJ Limited
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Notes to the Financial Statements for the year ended March 31, 2019

28. Earnings per share

	For the year ended March 31, 2019	For the year ended March 31, 2018
	INR lacs	INR lacs
Basic earnings per share (Refer Note 28.1)	722.00	583.00
Diluted earnings per share (Refer Note 28.2)	722.00	583.00

28.1 Basic earnings per share

The earnings and weighted average number of equity shares used in the calculation of basic earnings per share are as follows

	For the year ended March 31, 2019	For the year ended March 31, 2018
Profit for the year attributable to owners of the company (Rs in Lacs)	72.20	58.30
Weighted average number of equity shares for the purposes of basic earnings per share (in Nos)	10,000	10,000

28.2 Diluted earnings per share

The earnings and weighted average number of equity shares used in the calculation of diluted earnings per share are as follows

	For the year ended March 31, 2019	For the year ended March 31, 2018
Profit for the year attributable to owners of the company (Rs in Lacs)	72.20	58.30
Weighted average number of equity shares for the purposes of diluted earnings per share (in Nos)	10,000	10,000

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29. Related Party Disclosures:

Disclosure as required by Ind AS 24 - "Related Party Disclosures" are as follows:

Names of the related parties and description of relationship:

(a) Related parties where control exists:

- (i) Ultimate Holding Company
1 The Tata Power Company Limited (TPCL)

(ii) Holding Company

- 1 Walwhan Renewable Energy Limited (WREL)

(b) Key Management Personnel and directors

- 1 Anand Agarwal - upto June 27, 2018
2 Jayant Kumar - upto June 27, 2018
3 Minesh Dave - upto June 12, 2018
4 Satish Bhat
5 Ajay Baeri - upto November 30, 2018
6 Rajiv Samant
7 Gautam Attravanam
8 Zarir Nowroz Panthaky - upto September 06, 2017
9 Anant Hanamshet - upto September 08, 2017

(c) Details of Transactions and balance outstanding:

S.No.	Particulars	Year ended	Holding Company	Ultimate Holding Company	Key Management Personnel		Total
			Walwhan Renewable Energy Limited	The Tata Power Company Limited	Zarir Nowroz Panthaky	Anant Hanamshet	
Details of Transactions:							
1	Business Support expenses						
		2019	2.02	-	-	-	2.02
		2018	5.76	-	-	-	5.76
2	Non-current borrowing taken from						
		2019	270.00	-	-	-	270.00
		2018	-	-	-	-	-
3	Repayment of Non-current borrowings						
		2019	730.00	-	-	-	730.00
		2018	1,264.58	-	-	-	1,264.58
4	Current borrowings taken						
		2019	50.00	-	-	-	50.00
		2018	-	-	-	-	-
5	Finance charges						
		2019	109.70	-	-	-	109.70
		2018	98.55	-	-	-	98.55
6	Interest Expense						
		2019	394.60	-	-	-	394.60
		2018	483.03	-	-	-	483.03
7	Director sitting fees						
		2019	-	-	-	-	-
		2018	-	-	0.80	0.80	1.60
8	Purchase of goods and services						
		2019	-	1.22	-	-	1.22
		2018	15.48	0.04	-	-	15.52
Balances outstanding							
1	Non-current borrowings						
		2019	4,832.14	-	-	-	4,832.14
		2018	5,182.44	-	-	-	5,182.44
2	Other Current Financial Liabilities- Trade Payables						
		2019	1.99	1.07	-	-	3.06
		2018	5.66	0.04	-	-	5.70
3	Interest accrued but not due on loan taken						
		2019	351.07	-	-	-	351.07
		2018	434.72	-	-	-	434.72

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30. Financial Instruments

1 Fair values

Set out below, is a comparison by class of the carrying amount and fair value of the financial assets and liabilities.

	Carrying value		Fair Value	
	March 31	March 31	March 31	March 31
	2019	2018	2019	2018
	INR lacs	INR lacs	INR lacs	INR lacs
Financial assets				
Cash and Cash Equivalents	6.01	25.06	6.01	25.06
Trade Receivables	124.00	30.29	124.00	30.29
Unbilled Revenues	12.02	76.02	12.02	76.02
Loans	8.20	0.20	8.20	0.20
Other financial assets	131.31	-	131.31	-
FVTPL Financial Investments	38.96	63.67	38.96	63.67
Total	320.50	195.24	320.50	195.24
Financial liabilities				
Trade Payables	274.71	95.95	274.71	95.95
Fixed rate borrowings (including current maturities)	3,778.02	4,188.02	3,778.02	4,188.02
Other financial liabilities (excluding current maturities)	351.08	434.72	351.08	434.72
Interest free borrowings	1,104.12	994.42	1,104.12	994.42
Total	5,507.93	5,713.11	5,507.93	5,713.11

The management assessed that cash and cash equivalents, other balances with bank, trade receivables, trade payables, other financial assets and liabilities approximate their carrying amounts largely due to the short term maturities of these instruments.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties. The following methods and assumptions were used to estimate the fair values.

Fair value of the mutual funds are based on its net asset value (NAV) near the reporting date.

Fair value of interest bearing borrowings and loans are determined using discounted cash flow method (DCF) using discount rate that reflects the issuers borrowing rate of a similar loan. The own performance risk has been assessed to be insignificant.

2 Fair value hierarchy

The fair value hierarchy is based on inputs to valuation techniques that are used to measure fair value that are either observable or unobservable and consists of the following three levels:

- Level 1 Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities. This comprises of mutual funds that have quoted price.
- Level 2 Inputs are other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices). This comprises of derivative financial instruments and borrowings.
- Level 3 Inputs are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data. The Company does not have any such financial instruments.

The following table summarizes financial assets and liabilities measured at fair value on a recurring basis and financial assets that are not measured at fair value on a recurring basis (but

	Date of valuation	Fair value hierarchy as at March 31, 2019			
		Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
		INR lacs	INR lacs	INR lacs	INR lacs
Asset measured at fair value					
FVTPL financial investments	March 31, 2019	38.96	-	-	38.96
		38.96	-	-	38.96
Liabilities for which fair values are disclosed					
Interest free borrowings	March 31, 2019	-	1,104.12	-	1,104.12
Fixed rate borrowings (INR)	March 31, 2019	-	3,778.02	-	3,778.02
Total		-	4,882.14	-	4,882.14
	Date of valuation	Fair value hierarchy as at 31st March, 2018			
		Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
		INR lacs	INR lacs	INR lacs	INR lacs
Asset measured at fair value					
FVTPL financial investments	March 31, 2018	63.67	-	-	63.67
		63.67	-	-	63.67
Liabilities for which fair values are disclosed					
Fixed rate borrowings (INR)	March 31, 2018	-	4,188.02	-	4,188.02
Interest free borrowings	March 31, 2018	-	994.42	-	994.42
Total		-	5,182.44	-	5,182.44

There has been no transfer between level 1 and level 2 during the year.

3 Capital Management & Gearing Ratio

For the purpose of the capital management, capital includes issued equity capital and all other equity reserves attributable to the equity holders of the company. The primary objective of the capital management is to maximize the shareholder value.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. From time to time, the Company reviews its policy related to dividend payment to shareholders. The Company monitors capital using gearing ratio, which is net debt divided by total capital plus net debt. The Company includes within net debt, interest bearing loans and borrowings, less cash and cash equivalents.

The Company's capital management is intended to create value for shareholders by facilitating the meeting of its long-term and short-term goals. Its Capital structure consists of net debt (borrowings as detailed in notes below) and total equity.

Gearing ratio

The gearing ratio at the end of the reporting year was as follows:

	INR lacs	
	March 31 2019	March 31 2018
Debt (i)	4,882.14	5,182.44
Less: Cash and Bank balances	6.01	25.06
Net debt	4,876.13	5,157.38
Total Capital (ii)	3,304.93	3,232.73
Capital and net debt	8,181.06	8,390.11
Net debt to Total Capital plus net debt ratio (%)	59.60	61.47

(i) Debt is defined as long-term and short-term borrowings (excluding financial guarantee contracts and contingent considerations)
(ii) Equity is defined as Equity share capital and other equity including reserves and surplus.

4 Financial risk management objectives and policies

The Company's principal financial liabilities comprise borrowings, trade and other payables and other financial liabilities. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include trade and other receivables, cash and cash equivalents, other bank balances, unbilled receivables and other financial assets that derive directly from its operations.

The Company is exposed to market risk, credit risk and liquidity risk. The Company senior management oversees the management of these risks. The Company's senior management reviews the financial risks and the appropriate financial risk governance framework for the Company. The Company financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives.

4.1 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 of three types of risk: currency risk, interest rate risk and equity price risk. The equity price risk and foreign currency risk is not applicable for the Company. Financial instruments affected by market risk include loans and borrowings.

The sensitivity analysis in the following sections relate to the position as at March 31, 2019 and March 31, 2018.

The sensitivity analysis has been prepared on the basis that the amount of net debt, the ratio of fixed to floating interest rates of the debt (if any) are all constant. The analysis exclude the impact of movements in market variables on: the carrying values of gratuity and other post-retirement obligations; provisions; and the non-financial assets.

4.1.1 Interest rate risk management

As the entire borrowings of the Company is at a fixed interest rate, there is no interest rate risk for the Company at present.

4.2 Credit risk management

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its other activities including derivative contracts (if any). The Company generally deals with parties which has good credit rating, worthiness or based on Company internal assessment as listed below:

	INR lacs	
	March 31, 2019	March 31, 2018
Trade receivables	124.00	106.31
Loans	8.20	0.20
Unbilled Revenue	12.02	76.02
Other financial assets	131.31	-
Total	275.53	182.53

a) Trade receivables as stated above are due from the Discoms and are under normal course of the business and as such the Company believes exposure to credit risk to be minimal.

4.3 Liquidity risk management

The Company manages liquidity risk by maintaining adequate reserves, banking facilities, by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities, wherever required. The Company has access to a sufficient variety of sources of funding and debt maturing within 12 months can be rolled over with existing lenders, wherever applicable.

The table below summarizes the maturity profile of the Company financial liabilities based on contractual undiscounted payments.

	INR lacs			
	Up to 1 year	1 to 5 years	5+ years	Total
31st March, 2019				
Non-Derivatives				
Borrowings	-	-	4,882.14	4,882.14
Future Interest on above borrowing	376.65	1,506.60	1,133.80	3,017.05
Trade Payables	274.71	-	-	274.71
Other Financial Liabilities	351.08	-	-	351.08
Total Non-Derivative Liabilities	1,002.44	1,506.60	6,015.94	8,524.98
31st March, 2018				
Non-Derivatives				
Borrowings	-	-	5,182.44	5,182.44
Future Interest on above borrowing	418.80	1,675.21	3,297.39	5,391.40
Trade Payables	95.95	-	-	95.95
Other Financial Liabilities	434.72	-	-	434.72
Total Non-Derivative Liabilities	949.47	1,675.21	8,479.83	11,104.51

The table has been drawn up based on the undiscounted contractual maturities of the financial liabilities including interest that will be paid on those liabilities upto the maturity of the instruments, ignoring the refinancing options available with the Company.

31. Capital Commitments

Particular	As at March 31, 2019	As at March 31, 2018
Estimated amount of contracts remaining to be executed on capital account and not provided for	188.80	147.50
Total	188.80	147.50

The Company does not have any long term commitment or material non-cancellable contractual commitments contracts which might have a material impact on the

32. Operating lease arrangements

Operating lease relate to leases of land with lease term of 25 years. All operating lease contracts would be over after 25 year. The Company does not have an option to purchase the leased land at the expiry of the lease periods.

32.1 Payments recognised as an expense

Particular	As at March 31, 2019	As at March 31, 2018
Minimum Lease payments	0.38	0.38
Total	0.38	0.38

32.2 Non-cancellable operating lease commitments

Particular	As at March 31, 2019	As at March 31, 2018
Not later than 1 year	0.75	0.75
Later than 1 year and not later than 5 years	1.50	1.50
Later than 5 years	5.25	5.63

33. Segment reporting

The company is engaged in a single segment i.e., the business of "Generation of power" from where it is earning its revenue and incurring expense. The operating results are regularly reviewed and performance is assessed by its Chief Operating Decision Maker (CODM). All the company's resources are dedicated to this single segment and all the discrete financial information is available for this segment. The company is having all its revenue from sale of power to single customer.

34. Micro and small enterprises under the Micro, Small and Medium Enterprises Development Act, 2006 have been determined based on the information available with the Company and the required disclosures are given below:

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
(a) Principal amount remaining unpaid as on 31st March	-	-
(b) Interest due thereon as on 31st March @	-	-
(c) The amount of Interest paid along with the amounts of the	-	-
(d) The amount of Interest due and payable for the year @	-	-
(e) The amount of Interest accrued and remaining unpaid as at 31st	-	-
(f) The amount of further interest due and payable even in the	-	-

Dues to Micro and small enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by the auditors.

@ Amounts unpaid to Micro and small enterprises vendors on account of retention money have not been considered for the purpose of interest calculation.

35. The figures for the year ended 31st March, 2018 have been re-grouped and/or re-arranged wherever necessary to conform to the classification adopted in the year ended 31st March, 2019.

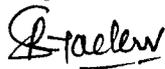
36. Significant events after the reporting period

There were no significant adjusting events that occurred subsequent to the reporting period other than the events disclosed in the relevant notes.

The accompanying notes are an integral part of the financial statements

As per our report of even date

For S R B C & CO LLP
Chartered Accountants
Firm Registration No: 324982E/E300003



per Suresh Yadav
Partner
Membership No. 119878

Date: April 15, 2019
Place: Mumbai



For and on behalf of the Board of Directors



Rajiv Samant
Director
DIN 08165725

Date: April 15, 2019
Place: Mumbai



Satish Bhat
Director
DIN 07598210

Date: April 15, 2019
Place: Mumbai