

WALWHAN SOLAR RAJ LIMITED

INDEPENDENT AUDITOR'S REPORT

To the Members of Walwhan Solar Raj Limited

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

We have audited the accompanying Ind AS financial statements of Walwhan Solar Raj 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

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adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

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

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

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

- Identify and assess the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls 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 on its financial position in its Ind AS financial statements;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; 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

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

Re: Walwhan Solar Raj 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, there are no immovable properties, included in property, plant and equipment of the Company and accordingly, the requirements under paragraph 3(i)(c) of the Order are not applicable to 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, securities given in respect of which provisions of Section 185 and 186 of the Companies Act 2013 are not 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, duty of custom, goods and service tax, 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 a 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 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. The provisions of sec 177 are not applicable to the company and hence not commented upon.
- (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 SOLAR RAJ 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 Solar Raj 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

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being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting 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.

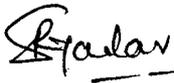
Opinion

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 Solar Raj Limited
(Formerly known as Walwhan Solar Raj Private Limited and Viraj Renewables Energy Private Limited)
Balance Sheet as at March 31, 2019

| | Notes | As at March 31, 2019 INR lacs | As at March 31, 2018 INR lacs |
|---|-------|-------------------------------------|-------------------------------------|
| Assets | | | |
| Non-current assets | | | |
| Property, plant and equipment | 7 | 4,741.50 | 4,896.71 |
| Capital Work-in-Progress | | 0.17 | - |
| Financial assets | | | |
| Loans | 8 | 0.84 | 0.84 |
| Other financial assets | 9 | 0.77 | 0.77 |
| Deferred tax assets (net) | 19 | - | 32.40 |
| Non current tax assets (net) | 21 | 20.60 | 32.02 |
| Other non-current assets | 10 | 328.50 | 348.07 |
| Total non-current assets | | 5,092.38 | 5,310.81 |
| Current assets | | | |
| Inventories | 11 | 39.27 | 45.28 |
| Financial assets | | | |
| Investments | 12 | 47.32 | - |
| Trade receivables | 13 | 0.67 | - |
| Unbilled revenue | | 102.45 | 97.49 |
| Cash and cash equivalents | 14 | 8.66 | 8.77 |
| Loans | 8 | 0.51 | 0.42 |
| Other financial assets | 9 | 0.88 | 0.48 |
| Current tax assets (net) | 21 | - | 40.17 |
| Other current assets | 10 | 19.56 | 19.56 |
| Total current assets | | 219.32 | 212.17 |
| Total assets | | 5,311.70 | 5,522.98 |
| Equity and liabilities | | | |
| Equity | | | |
| Equity share capital | 15 | 287.50 | 287.50 |
| Other equity | 16 | 2,428.97 | 2,110.63 |
| Total equity | | 2,716.47 | 2,398.13 |
| Liabilities | | | |
| Non-current liabilities | | | |
| Financial liabilities | | | |
| Borrowings | 17 | 2,249.21 | 2,744.21 |
| Other financial liabilities | 18 | 239.01 | 292.57 |
| Deferred tax liabilities (net) | 19 | 7.95 | - |
| Provisions | 20 | 0.40 | 0.46 |
| Total non-current liabilities | | 2,496.57 | 3,037.24 |
| Current liabilities | | | |
| Financial liabilities | | | |
| Trade payables | | | |
| (a) Total outstanding dues of micro enterprises and small enterprises (Refer note 40) | | - | - |
| (b) Total outstanding dues of creditors other than micro enterprises and small enterprises | | 67.13 | 53.04 |
| Other financial liabilities | 18 | - | 1.29 |
| Provisions | 20 | 0.23 | 0.16 |
| Current tax liabilities (net) | 21 | 3.89 | - |
| Other current liabilities | 22 | 27.41 | 33.12 |
| Total current liabilities | | 98.66 | 87.61 |
| Total liabilities | | 2,595.23 | 3,124.85 |
| Total equity and liabilities | | 5,311.70 | 5,522.98 |

Summary of significant accounting policies 3

The accompanying notes are an integral part of the financial statements

As per our report on even date
For S R B C & CO LLP
Chartered Accountants
Firm Registration No: 324982E/E300003



per Suresh Yadav
Partner
Membership No. 119878

Date: 15th April, 2019
Place: Mumbai

For and on behalf of Board of Directors



Aditya Gupta
Director
DIN: 08108477



Vidvadhhar Wagle
Director
DIN: 07530102

Date: 15th April, 2019
Place: Mumbai

Date: 15th April, 2019
Place: Mumbai

Walwhan Solar Raj Limited
(Formerly known as Walwhan Solar Raj Private Limited and Viraj Renewables Energy Private Limited)
Statement of Profit and Loss for the period 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 | 23 | 1,063.52 | 1,145.42 |
| Other income | 24 | 18.97 | 5.97 |
| Total income | | 1,082.49 | 1,151.39 |
| Expenses | | | |
| Employee benefits expense | 25 | 4.37 | 5.24 |
| Finance costs | 26 | 269.16 | 325.08 |
| Depreciation expense | 27 | 244.79 | 243.69 |
| Other expenses | 28 | 142.36 | 157.47 |
| Total expenses | | 660.68 | 731.48 |
| Profit before tax | | 421.81 | 419.91 |
| Tax expense /(Credit): | | | |
| Current tax (MAT) | | | |
| Tax relating to earlier years | 29 | 63.05 | 64.22 |
| Deferred tax | 29 | 0.03 | (20.83) |
| Income tax expenses | 29 | 40.35 | (116.76) |
| | | 103.43 | (73.37) |
| Profit for the year | | 318.38 | 493.28 |
| Other comprehensive income/(expenses) | | | |
| Items that will not be reclassified to profit and loss | | | |
| Remeasurements gain/(loss) on defined benefit plans | | (0.04) | 0.07 |
| Total comprehensive income for the year | | 318.34 | 493.35 |
| Earnings per equity share [face value of share Rs. 10 each] | | | |
| (a) Basic (in Rs.) | 30 | 11.07 | 17.16 |
| (b) Diluted (in Rs.) | 30 | 11.07 | 17.16 |

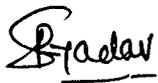
Summary of significant accounting policies

3

The accompanying notes are an integral part of the financial statements

As per our report on even date
For S R B C & CO LLP
Chartered Accountants
Firm Registration No: 324982E/E300003

For and on behalf of Board of Directors



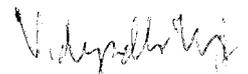
per Suresh Yadav
Partner
Membership No, 119878

Date: 15th April, 2019
Place: Mumbai



Aditya Gupta
Director
DIN: 08108477

Date: 15th April, 2019
Place: Mumbai



Vidyadhar Wagle
Director
DIN: 07530102

Date: 15th April, 2019
Place: Mumbai

Walwhan Solar Raj Limited
(Formerly known as Walwhan Solar Raj Private Limited and Viraj Renewables Energy Private Limited)
Statement of Cash Flows for the year ended March 31, 2019

| | <u>For the period ended</u> <u>March 31, 2019</u> | <u>For the year ended</u> <u>March 31, 2018</u> |
|---|--|--|
| | INR lacs | INR lacs |
| A. Cash flow from operating activities | | |
| Profit before tax | 421.81 | 419.91 |
| Adjustments to reconcile profit before tax to net cash flows : | | |
| Finance cost | 269.15 | 325.07 |
| Interest on loans from related parties | (0.40) | (0.25) |
| Change in fair value of mutual funds investments | (10.73) | (5.72) |
| Interest on Income-tax Refund | (7.84) | |
| Liability no longer required written back | (3.46) | - |
| Amortisation of leasehold land | 19.56 | 36.54 |
| Depreciation expense | 244.79 | 243.69 |
| | 932.88 | 1,019.24 |
| Working capital adjustments in : | | |
| (Increase)/ Decrease in trade receivables | (5.63) | 85.66 |
| (Increase)/ Decrease in inventory | 6.01 | (14.77) |
| (Increase) in other assets - current | (0.08) | (97.92) |
| (Decrease) in trade payables | 16.26 | 23.99 |
| Increase/ (Decrease) in provisions | (0.03) | 0.01 |
| Increase/ (Decrease) in other liabilities | (5.71) | 18.13 |
| Cash generated from operations | 943.70 | 1,034.34 |
| Income taxes paid (Net of Refund) | 0.24 | (67.34) |
| Net cash flows from operating activities | 943.94 | 967.00 |
| | A | |
| B. Cash flows from investing activities | | |
| Payment for acquisition of property, plant and equipment | (89.75) | (17.39) |
| Purchase of investment in mutual funds | (1,063.50) | (887.00) |
| Proceeds from redemption of investment in mutual funds | 1,026.91 | 892.79 |
| Interest received | - | 0.26 |
| Net cash flows used in investing activities | (126.34) | (11.34) |
| | B | |
| C. Cash flows from financing activities | | |
| Repayment of non- current borrowing from related party | (495.00) | (795.83) |
| Interest paid | (322.71) | (158.50) |
| Net cash flows used in financing activities | (817.71) | (954.33) |
| | C | |
| Net increase/(decrease) in cash and cash equivalents | (0.11) | 1.33 |
| | (A+B+C) | |
| Cash and Cash Equivalents as at 1st April (Opening Balance) | 8.77 | 7.44 |
| Cash and Cash Equivalents as at 31st March (Closing Balance) | 8.66 | 8.77 |

Summary of significant accounting policies

3

The accompanying notes are an integral part of the financial statements

As per our report on even date
For S R B C & CO LLP
Chartered Accountants
Firm Registration No: 324982E/E300003

For and on behalf of Board of Directors



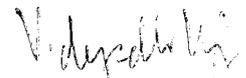
per Suresh Yadav
Partner
Membership No. 119878

Date: 15th April, 2019
Place: Mumbai



Aditya Gupta
Director
DIN: 08108477

Date: 15th April, 2019
Place: Mumbai



Vidyadhar Wagle
Director
DIN: 07530102

Date: 15th April, 2019
Place: Mumbai

Walwhan Solar Raj Limited
(Formerly known as Walwhan Solar Raj Private Limited and Viraj Renewables Energy Private Limited)
Statement of Changes in Equity as on March 31, 2019

a. Equity share capital

| | Nos of Shares | INR (lacs) |
|-------------------------------------|------------------|---------------|
| Balance as at April 01, 2017 | 2,874,999 | 287.50 |
| Issued during the year | - | - |
| Balance as at March 31, 2018 | 2,874,999 | 287.50 |
| Balance as at April 01, 2018 | 2,874,999 | 287.50 |
| Issued during the year | - | - |
| Balance as at March 31, 2019 | 2,874,999 | 287.50 |

b. Other equity

| | Reserves and surplus | | |
|--|----------------------|-------------------|-----------------|
| | Securities premium | Retained earnings | Total |
| Balance as at April 1, 2017 | 1,227.75 | 389.53 | 1,617.28 |
| Profit for the year | - | 493.28 | 493.28 |
| Other Comprehensive income/(loss) for the year | - | 0.07 | 0.07 |
| Total comprehensive income for the year | - | 493.35 | 493.35 |
| Balance as at March 31, 2018 | 1,227.75 | 882.88 | 2,110.63 |
| Balance as at April 1, 2018 | 1,227.75 | 882.88 | 2,110.63 |
| Profit for the year | - | 318.38 | 318.38 |
| Other comprehensive income for the year | - | (0.04) | (0.04) |
| Total comprehensive income for the year | - | 318.34 | 318.34 |
| Balance as at March 31, 2019 | 1,227.75 | 1,201.22 | 2,428.97 |

Summary of significant accounting policies

3

The accompanying notes are an integral part of the financial statements

As per our report on even date
For S R B C & CO LLP
Chartered Accountants
Firm Registration No: 324982E/E300003

For and on behalf of Board of Directors



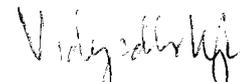
per Suresh Yadav
Partner
Membership No. 119878

Date: 15th April, 2019
Place: Mumbai



Aditya Gupta
Director
DIN: 08108477

Date: 15th April, 2019
Place: Mumbai



Aditya Gupta
Director
DIN: 08108477

Date: 15th April, 2019
Place: Mumbai

Walwhan Solar Raj Limited
(formerly known as Walwhan Solar Raj Private Limited and Viraj Renewables Energy Private Limited)
Notes to the financial statements for the year ended March 31, 2019

1. Corporate information

Walwhan Solar Raj Limited (formerly known as Walwhan Solar Raj Private Limited and Viraj Renewables Energy Private Limited) (the 'Company') The Company was a subsidiary of Dombivali Properties private limited up to August 19, 2016. The company was acquired by Walwhan Renewable Energy Limited (formerly known as "Walwhan Renewable Energy Private Limited" and "Welspun Renewables Energy Private Limited") on August 20, 2016 and it became the wholly owned subsidiary of Walwhan Renewable Energy Limited. The operations of the Company span in all aspect of generating and producing power through renewable resources such as by use of solar power plants.

During the previous year, the name of the Company has been changed from Viraj Renewables Energy Private Limited to Walwhan Solar Raj Private Limited and thereafter to Walwhan Solar Raj Limited vide fresh certificate of incorporation dated September 21, 2017 and October 17, 2017.

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.

Walwhan Solar Raj Limited
(formerly known as Walwhan Solar Raj Private Limited and Viraj Renewables Energy Private Limited)
Notes to the financial statements for the year ended March 31, 2019

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 Employee benefits

a) Defined contribution plans

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

b) Defined benefits plans

The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method. Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through other comprehensive income (OCI) in the period in which they occur. Remeasurements are not reclassified to statement of profit and loss in subsequent periods. Past service costs are recognised in statement of profit and loss on the earlier of:

- the date of the plan amendment or curtailment, and
- the date that the Company recognises related restructuring costs

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

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

A liability for a termination benefit is recognised at the earlier of when the entity can no longer withdraw the offer of the termination benefit and when the entity recognises any related restructuring costs.

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

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

c) Current and other non-current employee benefits

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

Liabilities recognised in respect of current employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

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

d) Employee Benefits Expense

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

3.6 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 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.

3.7 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.

3.8 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 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

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Notes to the financial statements for the year ended March 31, 2019

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.

3.9 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.

3.10 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).

3.11 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.

3.11.1 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.

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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.

3.11.2 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.

3.12 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:

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- 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.

3.13 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.

3.14 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.

3.15 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.

3.16 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

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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 19 and 29

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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Notes to the Financial Statements for the year ended March 31, 2019

7. Property, plant and equipment

| Description | (INR laes) | |
|-------------------------|-------------------------|-------------------------|
| | As at March 31, 2019 | As at March 31, 2018 |
| Building | 54.77 | 57.62 |
| Plant and machinery | 4,680.88 | 4,832.02 |
| Furniture and fixture | 2.46 | 3.23 |
| Office equipments | 0.97 | 0.89 |
| Computer and networking | 0.02 | 0.02 |
| Vehicle | 2.40 | 2.93 |
| Total | 4,741.50 | 4,896.71 |

Property, Plant and Equipment as at March 31, 2019

| Description | Gross block | | | Accumulated Depreciation | | | Net block | |
|---------------------------|-------------------------|-----------------------------|-------------------------|--------------------------|--------------------------------|-------------------------|-------------------------|-------------------------|
| | As at April 01, 2018 | Additions March 31, 2019 | Disposal/ adjustment | As at April 01, 2018 | Depreciation for the period | Disposal/ adjustment | As at March 31, 2019 | As at March 31, 2018 |
| 1 Building | 70.17 | - | - | 12.55 | 2.85 | - | 15.40 | 54.77 |
| 2 Plant and machinery | 6,948.12 | 88.93 | - | 2,132.90 | 240.07 | - | 2,372.97 | 4,680.88 |
| 3 Furniture and fixture | 7.33 | - | - | 4.10 | 0.77 | - | 4.87 | 2.46 |
| 4 Office equipments | 6.80 | 0.65 | - | 5.91 | 0.57 | - | 6.48 | 0.97 |
| 5 Computer and networking | 0.40 | - | - | 0.38 | - | - | 0.38 | 0.02 |
| 6 Vehicle | 6.10 | - | - | 3.17 | 0.53 | - | 3.70 | 2.40 |
| Total | 7,055.72 | 89.58 | - | 2,159.01 | 244.79 | - | 2,403.80 | 4,741.50 |

Property, plant and equipment as at March 31, 2018

| Description | Gross block | | | Accumulated Depreciation | | | Net block | |
|---------------------------|-------------------------|-----------------------------|-------------------------|--------------------------|------------------------------|-------------------------|-------------------------|-------------------------|
| | As at April 01, 2017 | Additions March 31, 2018 | Disposal/ adjustment | As at April 01, 2017 | Depreciation for the year | Disposal/ adjustment | As at March 31, 2018 | As at March 31, 2017 |
| 1 Building | 70.17 | - | - | 9.70 | 2.85 | - | 12.55 | 57.62 |
| 2 Plant and machinery | 6,948.12 | 16.80 | - | 1,894.28 | 238.62 | - | 2,132.90 | 4,832.02 |
| 3 Furniture and fixture | 7.33 | - | - | 3.54 | 0.76 | - | 4.10 | 3.23 |
| 4 Office equipments | 6.80 | - | - | 4.98 | 0.93 | - | 5.91 | 0.89 |
| 5 Computer and networking | 0.40 | - | - | 0.38 | 0.00 | - | 0.38 | 0.02 |
| 6 Vehicle | 6.10 | - | - | 2.64 | 0.53 | - | 3.17 | 2.93 |
| Total | 7,038.92 | 16.80 | - | 1,915.32 | 243.69 | - | 2,159.01 | 4,896.71 |

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Notes to the Financial Statements for the year ended March 31, 2019

| | As at March 31, 2019 INR lacs | As at March 31, 2018 INR lacs |
|--|-------------------------------------|-------------------------------------|
| 8. Loan | | |
| Non current (At Amortised Cost) | | |
| (a) Security deposits (unsecured considered good) | 0.84 | 0.84 |
| | 0.84 | 0.84 |
| Current (At Amortised Cost) | | |
| Considered Good - Unsecured | | |
| (a) Security deposit | 0.50 | - |
| (b) Site imprest | 0.01 | 0.42 |
| | 0.51 | 0.42 |
| 9 . Other financial assets | | |
| | As at March 31, 2019 INR lacs | As at March 31, 2018 INR lacs |
| Non current (At Amortised Cost) | | |
| (b) In Deposits account | 0.77 | 0.77 |
| | 0.77 | 0.77 |
| Current (At Amortised Cost) | | |
| (a) Interest accrued on deposits | 0.40 | - |
| (b) Interest accrued on loan | 0.48 | 0.48 |
| | 0.88 | 0.48 |
| 10. Other assets | | |
| | As at March 31, 2019 INR lacs | As at March 31, 2018 INR lacs |
| Non-current | | |
| (a) Prepayment for leasehold land | 328.51 | 348.07 |
| | 328.51 | 348.07 |
| Current | | |
| Unsecured considered good | | |
| (a) Prepayment for lease hold land | 19.56 | 19.56 |
| | 19.56 | 19.56 |
| 11. Inventories | | |
| | As at March 31, 2019 INR lacs | As at March 31, 2018 INR lacs |
| Inventories (Lower of cost and net realisable value) | | |
| (a) Stores and Spare Parts | 39.27 | 45.28 |
| | 39.27 | 45.28 |
| 12. Investments | | |
| | As at March 31, 2019 INR lacs | As at March 31, 2018 INR lacs |
| Current | | |
| Mutual Funds (Quoted) (valued at fair value) | | |
| (a) DSP BlackRock - Liquidity Fund - Direct Plan Growth (1,769,752 unit, previous year nil) | 47.32 | - |
| | 47.32 | - |
| 12.1 Category-wise other investment-as per Ind AS 109 classification | | |
| | As at March 31, 2019 INR lacs | As at March 31, 2018 INR lacs |
| Financial assets carried at fair value profit or loss (FVTPL) Mandatorily measured at FVTPL (Quoted mutual fund) | 47.32 | - |

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Notes to the Financial Statements for the year ended March 31, 2019

13 . Trade receivables

| | As at March 31, 2019 INR lacs | As at March 31, 2018 INR lacs |
|---|-------------------------------------|-------------------------------------|
| Current | | |
| Trade receivables (At Amortised Cost) | | |
| (a) Unsecured considered good (refer note 13.1) | 0.67 | - |
| | 0.67 | - |

13 . 1 Trade receivables

Age of receivables

| | As at March 31, 2019 INR lacs | As at March 31, 2018 INR lacs |
|-----------------------------|-------------------------------------|-------------------------------------|
| Within the credit period | 0.67 | - |
| 1-90 days past due | - | - |
| 91-182 days past due | - | - |
| More than 182 days past due | - | - |
| | 0.67 | - |

14. Cash in bank balances

| | As at March 31, 2019 INR lacs | As at March 31, 2018 INR lacs |
|----------------------------------|-------------------------------------|-------------------------------------|
| Cash and cash equivalents | | |
| (a) Balances with Banks: | | |
| (i) In current accounts | 8.66 | 8.77 |
| | 8.66 | 8.77 |

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Notes to the Financial Statements for the year ended March 31, 2019

15. Equity share capital

| | As at March 31, 2019 INR lacs | As at March 31, 2018 INR lacs |
|--|-------------------------------------|-------------------------------------|
| Authorised share capital | | |
| Equity share of Rs. 10 each with voting rights | | |
| March 31, 2019- 40,00,000 | 400.00 | 400.00 |
| March 31, 2018- 40,00,000 | 400.00 | 400.00 |
| Issued and subscribed capital expense | | |
| Equity share of Rs. 10 each with voting rights | | |
| March 31, 2019- 2,874,999 | 287.50 | 287.50 |
| March 31, 2018- 2,874,999 | 287.50 | 287.50 |

15.1 Fully paid equity shares

| | Number of Shares | Share Capital (INR lacs) |
|-------------------------------------|------------------|-----------------------------|
| Balance as at April 1, 2017 | 2,874,999 | 287.50 |
| Movements during the year | - | - |
| Balance as at March 31, 2018 | 2,874,999 | 287.50 |
| Balance as at April 1, 2018 | 2,874,999 | 287.50 |
| Movements during the year | - | - |
| Balance as at March 31, 2019 | 2,874,999 | 287.50 |

15.2 Details of share held by the holding company, its subsidiaries and associates

| | Number of Shares |
|--|---------------------|
| As at March 31, 2019 | |
| Walwhan Renewable Energy Limited (the Holding Company w.e.f August 20, 2016) | 2,874,999 |
| As at March 31, 2018 | |
| Welspun Renewable Energy Limited (the Holding Company w.e.f August 20, 2016) | 2,874,999 |

*including 6 equity shares held by nominee shareholders on behalf of Walwhan Renewable Energy Limited

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

| | As at March 31, 2019 | | As at March 31, 2018 | |
|----------------------------------|--------------------------|-------------------------------|--------------------------|-------------------------------|
| | Number of shares held | % holding of equity shares | Number of shares held | % holding of equity shares |
| Fully paid equity shares | | | | |
| Walwhan Renewable Energy Limited | 2,874,999 | 100% | 2,874,999 | 100% |

15.4 Voting Right

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 the Indian rupees. In the event of Liquidation of the company, the holder of the equity shares will be entitled to receive remaining assets of the company, after distribution of preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

16. Other equity

| | As at March 31, 2019 INR lacs | As at March 31, 2018 INR lacs |
|--------------------------------------|-------------------------------------|-------------------------------------|
| Securities premium (refer note 16.1) | 1,227.75 | 1,227.75 |
| Retained earnings (refer note 16.2) | 1,201.22 | 882.88 |
| | 2,428.97 | 2,110.63 |

16.1 Securities premium

| | As at March 31, 2019 INR lacs | As at March 31, 2018 INR lacs |
|---------------------------------------|-------------------------------------|-------------------------------------|
| Balance at the beginning of the year | 1,227.75 | 1,227.75 |
| Movements during the year | - | - |
| Balance at the end of the year | 1,227.75 | 1,227.75 |

Securities Premium Reserve is used to record the premium on issue of shares and is utilised in accordance with the provisions of the Companies Act, 2013.

16.2 Retained earnings

| | As at March 31, 2019 INR lacs | As at March 31, 2018 INR lacs |
|--|-------------------------------------|-------------------------------------|
| Balance at the beginning of the year | 882.88 | 389.53 |
| Profit attributable to owners of the Company | 318.38 | 493.28 |
| Other comprehensive gain/(loss) | (0.04) | 0.07 |
| Balance at the end of the year | 1,201.22 | 882.88 |

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Walwhan Solar Raj Limited
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Notes to the Financial Statements for the year ended March 31, 2019

17. Non-current borrowings

| | As at March 31, 2019 | As at March 31, 2018 |
|--|-------------------------|-------------------------|
| | INR lacs | INR lacs |
| Unsecured - At Amortised Cost | | |
| (i) Loans from related parties (refer note 17.1) | 2,249.21 | 2,744.21 |
| | 2,249.21 | 2,744.21 |

17.1 Summary of borrowing arrangements

Loans from related parties

Loan from related parties includes loan taken from Walwhan Renewable Energy Limited (Holding Company). The Company entered into an amended Inter Corporate Deposit ('ICD') agreement with Walwhan Renewable Energy Limited for an amount of Rs. 3,300 lacs on April 4, 2017 ('ICD'). This agreement was in supersession of the earlier ICD agreement. As per amended agreement loan is repayable as a bullet repayment at the end of 10 years (April 3, 2027) 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.

18. Other financial liabilities

| | As at March 31, 2019 | As at March 31, 2018 |
|--|-------------------------|-------------------------|
| | INR lacs | INR lacs |
| Non Current | | |
| Unsecured - At Amortised Cost | | |
| (a) Interest accrued but not due on related party loan (Refer note 31.1) | 239.01 | 292.57 |
| | 239.01 | 292.57 |
| Current | | |
| (b) Capital creditors | - | 1.29 |
| | - | 1.29 |

19. Deferred tax balances

| | As at March 31, 2019 | As at March 31, 2018 |
|--|-------------------------|-------------------------|
| | INR lacs | INR lacs |
| Deferred tax assets | 318.82 | 255.74 |
| Deferred tax liabilities | (326.77) | (223.34) |
| Deferred tax assets/(liabilities) | (7.95) | 32.40 |

19.1 Deferred tax assets/(liabilities) arise from the following:

Deferred tax liabilities on account of :

Depreciation on Property, Plant and Equipment

Total

| | As at March 31, 2019 | As at March 31, 2018 |
|--|-------------------------|-------------------------|
| | INR lacs | INR lacs |
| | (326.77) | (223.34) |
| | (326.77) | (223.34) |

Deferred tax assets on account of :

MAT credit entitlement

Net deferred tax asset/(liabilities)

| | As at March 31, 2019 | As at March 31, 2018 |
|--|-------------------------|-------------------------|
| | INR lacs | INR lacs |
| | 318.82 | 255.74 |
| | (7.95) | 32.40 |

Reconciliation of deferred tax assets/(liabilities) (net)

Opening Balances at the beginning of the year

Tax expense/ (income) during the year

Closing balances at the end of year

| | As at March 31, 2019 | As at March 31, 2018 |
|--|-------------------------|-------------------------|
| | INR lacs | INR lacs |
| | 32.40 | (84.36) |
| | (40.35) | 116.76 |
| | (7.95) | 32.40 |



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Notes to the Financial Statements for the year ended March 31, 2019

20. Provisions

| | <u>As at</u> <u>March 31, 2019</u> INR lacs | <u>As at</u> <u>March 31,2018</u> INR lacs |
|---|---|--|
| Provision for employee benefits | | |
| Provision for gratuity (refer note -33) | 0.40 | 0.31 |
| Provision for other post employment benefit plan - (refer note -33) | 0.23 | 0.16 |
| Provision for leave encashment | - | 0.15 |
| | <u>0.63</u> | <u>0.62</u> |
| Current | 0.23 | 0.16 |
| Non-current | 0.40 | 0.46 |
| | <u>0.63</u> | <u>0.62</u> |

Inclusion of allowances for PF

There are numerous interpretative issues relating to the Supreme Court (SC) judgement dated 28th February, 2019 on Provident Fund (PF) on the inclusion of allowances for the purpose of PF contribution as well as its applicability of effective date. The Company is consulting Legal counsel for further clarity and evaluating its impact on its financial statement.”

21. Tax assets and liabilities

| | <u>As at</u> <u>March 31, 2019</u> INR lacs | <u>As at</u> <u>March 31,2018</u> INR lacs |
|--------------------------------|---|--|
| Non Current tax assets | | |
| Tax receivable | 20.60 | 32.02 |
| | <u>20.60</u> | <u>32.02</u> |
| Current tax assets | | |
| Tax assets | - | 40.17 |
| | - | 40.17 |
| Current tax liabilities | | |
| Tax payable | 3.89 | - |
| | <u>3.89</u> | <u>-</u> |

22. Other liabilities

| | <u>As at</u> <u>March 31, 2019</u> INR lacs | <u>As at</u> <u>March 31,2018</u> INR lacs |
|---------------------------|---|--|
| Current | | |
| (a) Statutory liabilities | 27.41 | 33.12 |
| | <u>27.41</u> | <u>33.12</u> |



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Notes to the Financial Statements for the year ended March 31, 2019

23. Revenue from Operations

| | For the year ended March 31, 2019 | For the year ended March 31, 2018 |
|--|--------------------------------------|--------------------------------------|
| | INR lacs | INR lacs |
| (a) Revenue from Power Supply contract with customers | | |
| Sale of electricity | 1,074.97 | 1,170.10 |
| Less: Rebate/ Discount | (14.91) | (24.68) |
| | <u>1,060.06</u> | <u>1,145.42</u> |
| (b) Other operating revenue | | |
| Liabilities no longer required written back | 3.46 | - |
| | <u>3.46</u> | <u>-</u> |
| | <u>1,063.52</u> | <u>1,145.42</u> |

Details of Revenue from contract with customers
Particulars

| | 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) | 1,060.06 | 1,145.42 |
| Add : Rebate/ Discount | 14.91 | 24.68 |
| Total revenue as per contracted price | <u>1,074.97</u> | <u>1,170.10</u> |

Contract balances

| | For the year ended March 31, 2019 | For the year ended March 31, 2018 |
|-----------------------------|--------------------------------------|--------------------------------------|
| | INR lacs | INR lacs |
| Contract assets | | |
| Contract liabilities | | |
| Receivables | | |
| Trade receivables (Gross) | 0.67 | - |
| Unbilled revenue | 102.45 | 97.49 |
| Net receivables | <u>103.12</u> | <u>97.49</u> |

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.

24. Other income

| | For the year ended March 31, 2019 | For the year ended March 31, 2018 |
|---|--------------------------------------|--------------------------------------|
| | INR lacs | INR lacs |
| (a) Interest income | | |
| Financial Assets carried at Amortised Cost | | |
| Interest income on deposits | 0.40 | 0.25 |
| Interest on Income-tax Refund | 7.84 | - |
| (b) Gain/(Loss) on Investments | | |
| Gain on Sale/Fair Value of Current Investment measured at FVTPL | 10.73 | 5.72 |
| | <u>18.97</u> | <u>5.97</u> |

25. Employee benefit expenses

| | For the year ended March 31, 2019 | For the year ended March 31, 2018 |
|---|--------------------------------------|--------------------------------------|
| | INR lacs | INR lacs |
| Salaries, wages and bonus | 4.10 | 4.42 |
| Gratuity expense (Refer Note 33) | 0.08 | 0.13 |
| Contribution to provident fund and other fund | 0.01 | 0.15 |
| Staff welfare expenses | 0.18 | 0.54 |
| | <u>4.37</u> | <u>5.24</u> |

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Walwhan Solar Raj Limited**(Formerly known as Walwhan Solar Raj Private Limited and Viraj Renewables Energy Private Limited)****Notes to the Financial Statements for the year ended March 31, 2019****26. Finance costs**

| | For the year ended March 31, 2019 | For the year ended March 31, 2018 |
|--|--|--|
| | INR lacs | INR lacs |
| (a) Interest costs : | | |
| Borrowings (at amortised cost) | | |
| Interest on loans from related parties (Refer Note 31) | 269.15 | 325.07 |
| (b) Other finance cost : | | |
| Other Finance Costs | 0.01 | 0.01 |
| | 269.16 | 325.08 |

27. 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 | 244.79 | 243.69 |
| | 244.79 | 243.69 |

28. Other expenses

| | For the year ended March 31, 2019 | For the year ended March 31, 2018 |
|--|--|--|
| | INR lacs | INR lacs |
| Repair and maintenance expense | 37.45 | 34.38 |
| Amortisation of leasehold land | 19.56 | 36.54 |
| Rent including lease rentals (Refer Note 36) | 0.42 | 0.40 |
| Rates and Taxes | 0.05 | - |
| Insurance | 1.29 | 1.48 |
| Other operating expenses | 42.46 | 45.79 |
| Travelling and conveyance | 0.49 | 0.31 |
| Legal and professional expenses | 2.81 | 7.95 |
| Payments to auditors (Refer Note 37) | 4.17 | 5.03 |
| Cost Of Services | 26.99 | 23.91 |
| Expenditure on Corporate Social Responsibility (Refer Note 38) | - | 0.10 |
| Miscellaneous expenses | 6.67 | 1.58 |
| Total other expense | 142.36 | 157.47 |

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Notes to the Financial Statements for the year ended March 31, 2019

29. Income taxes relating to continuing operations

| 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 | 63.05 | 64.22 |
| In respect of the previous years | 0.03 | (20.83) |
| | 63.08 | 43.39 |
| Deferred tax | | |
| (a) In respect of temporary differences | 103.43 | (73.96) |
| (b) MAT credit entitlement | | |
| In respect of current year | (63.05) | (64.22) |
| In respect of previous years | (0.03) | 21.42 |
| | 40.35 | (116.76) |
| Total income tax (credit)/expense recognised | 103.43 | (73.37) |

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 | 421.81 | 419.91 |
| Income tax expense calculated at 29.12% for FY 2018-19 and 27.5525% for FY 2017-18 | 122.83 | 115.69 |
| Effect of expenses that are not deductible in determining taxable profit | 5.70 | 10.10 |
| Effect of expenses that are deductible in determining taxable profit | - | - |
| Effect of Brough Forward Losses | - | - |
| Effect of Tax Holiday period | (23.28) | (27.98) |
| Effect of movement on which no deferred tax was recognised or adjustments arising in current year | (1.82) | (184.00) |
| Effect of additional tax on account of Minimum Alternate Tax (MAT) applicability | - | - |
| Effect of changes in tax rates | - | 12.23 |
| Effect of Other Items - Recognition of MAT Credit & tax paid for earlier years | - | 0.59 |
| Income tax expense recognised in statement of profit or loss at effective income tax rate of (24.52 %), (March 31, 2018 :-17.47%) | 103.43 | (73.37) |

Note:-

- The tax rates used for the years 2018-19 and 2017-18 reconciliation above is the corporate tax rate of 29.12% and 27.55% respectively as payable by corporate entities in India on taxable profits under the Indian tax law.
- The Company has to pay taxes based on the higher of Income Tax profit of the company or MAT at 20.5868% and 20.3889% of book profit for the year 2018-19 and 2017-18 respectively.
- The Minimum Alternate Tax (MAT) rate applicable is 20.5868% and 20.3889% of the book profit for the year 2018-19 and 2017-18 respectively.

30. Earnings per share

| | For the year ended March 31, 2019 | Year ended March 31, 2018 |
|--|--------------------------------------|------------------------------|
| | (In Rs.) | (In Rs.) |
| Basic earnings per share (refer note no. 30.1) | 11.07 | 17.16 |
| Diluted earnings per share (refer note no. 30.2) | 11.07 | 17.16 |

30.1 Basic earnings per share

| | For the year ended March 31, 2019 | Year ended March 31, 2018 |
|---|---|------------------------------|
| | Profit for the year attributable to owners of the company (Rs. In lacs) | 318.38 |
| Earnings used in the calculation of basic earning per share (Rs. In lacs) | 318.38 | 493.28 |
| Weighted average number of equity shares for the purposes of basic earnings per share | 2,875,000 | 2,875,000 |

30.2 Diluted earnings per share

| | For the year ended March 31, 2019 | Year ended March 31, 2018 |
|---|---|------------------------------|
| | Profit for the year attributable to owners of the company (Rs. In lacs) | 318.38 |
| Earnings used in the calculation of basic earning per share (Rs. In lacs) | 318.38 | 493.28 |
| Weighted average number of equity shares for the purposes of diluted earnings per share | 2,875,000 | 2,875,000 |

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Notes to the financial statements for the Year ended March 31, 2019

31 Related party transactions

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**

The Tata Power Company Limited

(ii) Holding companies

Tata Power Renewable Energy Limited

Walwhan Renewable Energy Limited (formerly known as Walwhan Renewable Energy Private Limited and Welspun Renewables Energy Private Limited)

B. Fellow Subsidiaries Companies (where transactions have taken place during the year and previous year / balances outstanding)

Walwhan Solar MH Limited (formerly known as Walwhan Solar MH Private Limited and Welspun Energy Maharashtra Private Limited)

C. Key Management Personnel**List of Directors**

Mr. Mahesh Paranjpe (resigned w.e.f. June 27, 2018)

Mr. Soundararajan Kasturi (resigned w.e.f. June 27, 2018)

Mr. Vidyadhar Wagle

Mr. Jeraz Mahernosh (appointed w.e.f. 26.06.2018)

Mr. Aditya Gupta (appointed w.e.f. 26.06.2018)

D. Details of Transactions:

| Sr. No. | Particulars | Year ended | INR lacs | | |
|---------|---|------------|----------------------------------|----------------------------------|---|
| | | | Fellow Subsidiaries | Holding Company | Ultimate Holding Company |
| | | | Walwhan Solar MH Private Limited | Walwhan Renewable Energy Limited | The Tata Power company Limited (TPCL)* |
| 1 | Service Received | 2019 | | | 0.97 |
| | | 2018 | | | |
| 2 | Purchase of goods/Services (Net of Discount Received on Prompt Payment) | 2019 | | | |
| | | 2018 | | 4.52 | |
| 3 | Expenses incurred for Business support & Other | 2019 | | 2.32 | |
| | | 2018 | 0.43 | 15.10 | 0.23 |
| 4 | Interest on borrowing from related parties | 2019 | | 269.15 | |
| | | 2018 | | 325.07 | |
| 5 | Loans repaid | 2019 | | 495.00 | |
| | | 2018 | | 795.83 | |
| | Balances outstanding | | | | |
| 1 | Interest accrued but not due on borrowing-ICD | 2019 | | 239.01 | |
| | | 2018 | | 292.57 | |
| 2 | Non-Current borrowings | 2019 | | 2,249.21 | |
| | | 2018 | | 2,744.21 | |
| 3 | Trade payables | 2019 | | 2.28 | 0.67 |
| | | 2018 | | 4.44 | 0.21 |

32. 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 | 8.66 | 8.77 | 8.66 | 8.77 |
| Trade Receivables | 0.67 | - | 0.67 | - |
| Unbilled Revenues | 102.45 | 97.49 | 102.45 | 97.49 |
| FVTPL Financial Investments # Mutual funds | 47.32 | - | 47.32 | - |
| Loan | 1.35 | 1.26 | 1.35 | 1.26 |
| Other financial assets | 1.65 | 1.25 | 1.65 | 1.25 |
| Total | 162.10 | 108.77 | 162.10 | 108.77 |
| Financial liabilities | | | | |
| Trade Payables | 67.13 | 53.04 | 67.13 | 53.04 |
| Fixed rate borrowings (including current maturities) | 2,249.21 | 2,744.21 | 2,249.21 | 2,744.21 |
| Other financial liabilities (excluding current maturities) | 239.01 | 293.86 | 239.01 | 293.86 |
| Total | 2,555.35 | 3,091.11 | 2,555.35 | 3,091.11 |

The management assessed that cash and cash equivalents, trade receivables, unbilled revenues, 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 the price quotations 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).
- 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 fair value disclosures are required) :

| | 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 | 47.32 | | | 47.32 |
| Liabilities for which fair values are disclosed | | | | | |
| Fixed rate borrowings (INR) | March 31, 2019 | - | 2,249.21 | - | 2,249.21 |
| | | - | 2,249.21 | - | 2,249.21 |
| | 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 |
| Liabilities for which fair values are disclosed | | | | | |
| Fixed rate borrowings (INR) | March 31, 2018 | - | 2,744.21 | - | 2,744.21 |
| | | - | 2,744.21 | - | 2,744.21 |

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 Company 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.

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Walwhan Solar Raj Limited
(Formerly known as Walwhan Solar Raj Private Limited and Viraj Renewables Energy Private Limited)
Notes to the Financial Statements for the year ended March 31, 2019

The Company 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) | 2,249.21 | 2,744.21 |
| Less: Cash and Bank balances | 8.66 | 8.77 |
| Net debt | 2,240.55 | 2,735.44 |
| Total Capital (ii) | 2,716.47 | 2,398.13 |
| Capital and net debt | 4,957.02 | 5,133.57 |
| Net debt to Total Capital plus net debt ratio (%) | 45.20 | 53.29 |

(i) Debt is defined as long-term borrowings (including current maturities) and short-term borrowings (excluding derivative, 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 receivables, cash and cash equivalents, 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 is not applicable for the Company. Financial instruments affected by market risk include loans and borrowings.

4.1.1 Foreign currency risk management

The Company does not have any foreign currency risk.

4.1.2 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). 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 | 0.67 | - |
| Unbilled Revenues | 102.45 | 97.49 |
| Loan | 1.35 | 1.26 |
| Other financial assets | 1.65 | 1.25 |
| Total | 106.12 | 100.00 |

- a) Trade receivables and unbilled revenue as stated above are under normal course of the business and as such the Company believes exposure to credit risk to be minimal.
b) Other financial assets include security deposits where the credit risk is envisaged 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 |
| March 31, 2019 | | | | |
| Non-Derivatives | | | | |
| Borrowings | - | - | 2,249.21 | 2,249.21 |
| Future Interest on above borrowing | 224.92 | 899.68 | 674.76 | 1,799.36 |
| Trade Payables | 67.13 | - | - | 67.13 |
| Other Financial Liabilities | 239.01 | - | - | 239.01 |
| Total Non-Derivative Liabilities | 531.06 | 899.68 | 2,923.97 | 4,354.71 |
| March 31, 2018 | | | | |
| Non-Derivatives | | | | |
| Borrowings | - | - | 2,744.21 | 2,744.21 |
| Future Interest on above borrowing | 566.99 | 1,097.68 | 960.47 | 2,625.14 |
| Trade Payables | 53.04 | - | - | 53.04 |
| Other Financial Liabilities | 293.86 | - | - | 293.86 |
| Total Non-Derivative Liabilities | 913.89 | 1,097.68 | 3,704.68 | 5,716.25 |

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.

Walwhan Solar Raj Limited

(Formerly known as Walwhan Solar Raj Private Limited and Viraj Renewables Energy Private Limited)

Notes to the Financial Statements as on March 31, 2019

33. Employee benefit plan

33.1 Defined Contribution plan

The Company makes Provident Fund contributions which are defined contribution plans, for qualifying employees. Under the Schemes, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The contributions as specified under the law are paid to the provident fund set up as a trust by the Company. The Company recognised 0.05 INR lacs (previous year 31 March, 2019 Rs. 0.21 INR lacs) for Provident Fund contributions in the Statement of Profit and Loss. The contributions payable to these plans by the Company are at rates specified in the rules of the schemes.

33.2 Defined benefit plans and other post employment benefit plans

a) Gratuity Scheme: The Company has a defined benefit gratuity plan. The gratuity plan is primarily governed by the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of minimum five years are eligible for gratuity. The level of benefits provided depends on the member's length of service and salary at the retirement date.

b) Other plans

(i) Post Employment Medical Benefits : The Company provides certain post-employment health care benefits to superannuated employees at some of its locations. In terms of the plan, the retired employees can avail free medical check-up and medicines at Company's facilities.

(ii) Retirement Gift : The Company has a defined benefit plan granting a pre-determined sum as retirement gift on superannuation of an employee.

Valuations are based on certain assumptions, which are dynamic in nature and vary over time. As such the Company is exposed to various risks as follow :-

| | |
|-------------------------------|---|
| Salary Risk (Salary Increase) | Actual salary increases will increase the plan's liability. |
| Liquidity Risk | This is the risk that the Group is not able to meet the short term gratuity payouts. This may arise due to non availability of enough cash/ cash equivalent to meet the liabilities or holding of illiquid assets not being sold in time. |
| Demographic Risk | The Group has used certain mortality and attrition assumption in valuation of the liability. The Group is exposed to the risk of actual experience turning out to be worse compared to the assumption. |
| Discount Rate | Reduction in discount rate in subsequent valuations can increase the plan's liability. |
| Mortality and disability | Actual deaths and disability cases proving lower or higher than assumed in the valuation can impact the liabilities. |
| Withdrawals | Actual withdrawals proving higher or lower than assumed withdrawals and change of withdrawal rates at subsequent valuations can impact plan's liability. |

The principal assumptions used for the purposes of the actuarial valuations were as follows:

| Particulars | Gratuity | Other post employment benefit plans |
|---------------------------------------|--|--|
| Valuation as at March 31, 2019 | | |
| Discount rate(s) | 7.40% | 7.40% |
| Expected rate(s) of salary increase | 7.00% | 7.00% |
| Expected rate(s) of medical inflation | N.A. | 8.00% |
| Mortality rate | Indian Assured Lives Mortality (2006-08) Ult | Indian Assured Lives Mortality (2006-08) Ult |
| Withdrawal rate | 21-44 years-2.5% | 21-44 years-2.5% |
| Retirement Age | 45 years and above -1% 60 years | 45 years and above -1% 60 years |
| Valuation as at March 31, 2018 | | |
| Discount rate(s) | 7.70% | 7.70% |
| Expected rate(s) of salary increase | 7.00% | 7.00% |
| Expected rate(s) of medical inflation | N.A. | 8.00% |
| Mortality rate | Indian Assured Lives Mortality (2006-08) Ult | Indian Assured Lives Mortality (2006-08) Ult |
| Withdrawal rate | 21-44 years-2.5% | 21-44 years-2.5% |
| Retirement Age | 45 years and above -1% 60 years | 45 years and above -1% 60 years |

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Walwhan Solar Raj Limited
(Formerly known as Walwhan Solar Raj Private Limited and Viraj Renewables Energy Private Limited)
Notes to the Financial Statements as on March 31, 2019

The amounts recognised in the financial statements and the movements in the net defined benefit obligations over the year are as follows:

| Unfunded Plan | (INR lacs) | |
|---|---------------|-------------------------------------|
| | Gratuity | Other Post employment benefit plans |
| Balance as at April 01, 2017 | 0.52 | - |
| Current service cost | 0.10 | - |
| Past service cost | - | 0.16 |
| Interest Cost/(Income) | 0.03 | - |
| Immediate recognition of (gains)/ losses - other long term employee benefit plans | - | - |
| Amount recognised in statement of profit and loss | 0.13 | 0.16 |
| Remeasurement (gains)/losses | | |
| Actuarial (gains)/losses arising from changes in demographic assumptions | - | - |
| Actuarial (gains)/losses arising from changes in financial assumptions | (0.07) | - |
| Actuarial (gains)/losses arising from experience | - | - |
| Amount recognised in other comprehensive income | (0.07) | - |
| Benefits paid | (0.27) | - |
| Acquisitions credit/(cost) | - | - |
| Balance as at March 31, 2018 | 0.31 | 0.16 |
| Balance as at April 01, 2018 | 0.31 | 0.16 |
| Current service cost | 0.05 | 0.03 |
| Past service cost | - | - |
| Interest Cost/(Income) | 0.02 | 0.01 |
| Immediate recognition of (gains)/ losses - other long term employee benefit plans | - | - |
| Amount recognised in statement of profit and loss | 0.07 | 0.04 |
| Remeasurement (gains)/losses | | |
| Actuarial (gains)/losses arising from changes in demographic assumptions | - | - |
| Actuarial (gains)/losses arising from changes in financial assumptions | 0.02 | 0.02 |
| Actuarial (gains)/losses arising from experience | - | 0.01 |
| Amount recognised in other comprehensive income | 0.02 | 0.03 |
| Benefits paid | - | - |
| Acquisitions credit/(cost) | - | - |
| Balance as at March 31, 2019 | 0.40 | 0.23 |

| Current and Non-Current Liability Break-up | (INR lacs) | |
|--|-------------|-------------------------------------|
| | Gratuity | Other Post employment benefit plans |
| Valuation as at March 31, 2019 | 0.40 | 0.23 |
| Current Liability | 0.01 | - |
| Non-Current Liability | 0.39 | 0.23 |
| Valuation as at March 31, 2018 | 0.31 | 0.16 |
| Current Liability | 0.01 | - |
| Non-current Liability | 0.30 | 0.16 |

Maturity Profile of Defined Benefit Obligation as on March 31, 2019

| Year ending | Gratuity | Other Post employment benefit plans |
|----------------------------------|----------|-------------------------------------|
| March 31, 2019 | 0.01 | - |
| March 31, 2020 | 0.02 | - |
| March 31, 2021 | 0.02 | - |
| March 31, 2022 | 0.02 | - |
| March 31, 2023 | 0.02 | - |
| March 31, 2024 to March 31, 2028 | 0.12 | - |

Maturity Profile of Defined Benefit Obligation as on March 31, 2018

| Year ending | Gratuity | Other Post employment benefit plans |
|----------------------------------|----------|-------------------------------------|
| March 31, 2019 | | |
| March 31, 2020 | | |
| March 31, 2021 | | |
| March 31, 2022 | 0.02 | - |
| March 31, 2023 | 0.02 | - |
| March 31, 2024 to March 31, 2028 | 0.02 | - |

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Walwhan Solar Raj Limited
(Formerly known as Walwhan Solar Raj Private Limited and Viraj Renewables Energy Private Limited)
Notes to the financial statements for the year ended March 31, 2019

33.3 Employee benefit plan

Sensitivity analysis

The sensitivity of the defined benefit obligations to changes in the weighted principal assumptions is:

| For the year ended March 31, 2019 | | (INR lacs) | | | | (INR lacs) | |
|-----------------------------------|--------|------------------------|----------------|------------------------|----------------|----------------|--------|
| Change in assumption | | Increase in assumption | | Decrease in assumption | | | |
| March 31, 2019 | | March 31, 2019 | March 31, 2019 | March 31, 2019 | March 31, 2019 | March 31, 2019 | |
| | | Gratuity | Others | | Gratuity | Others | |
| Discount rate | 0.50% | Decrease by (0.03) | (0.03) | Increase by | 0.03 | | 0.04 |
| Salary/Pension growth rate | 0.50% | Increase by | 0.03 | Decrease by | (0.03) | | - |
| Withdrawal rates | 5% | Increase/(Decrease) by | 0.02 | Increase/(Decrease) by | - | | - |
| Medical Inflation rate | 0.50% | Increase by | - | Decrease by | - | | (0.03) |
| Mortality rates | 1 Year | Increase by | - | Decrease by | - | | (0.01) |

| For the year ended March 31, 2018 | | (INR lacs) | | | | (INR lacs) | |
|-----------------------------------|--------|------------------------|----------------|------------------------|----------------|----------------|--------|
| Change in assumption | | Increase in assumption | | Decrease in assumption | | | |
| March 31, 2018 | | March 31, 2018 | March 31, 2018 | March 31, 2018 | March 31, 2018 | March 31, 2018 | |
| | | Gratuity | Others | | Gratuity | Others | |
| Discount rate | 0.50% | Decrease by (0.02) | (0.02) | Increase by | 0.03 | | 0.03 |
| Salary/Pension growth rate | 0.50% | Increase by | 0.03 | Decrease by | (0.02) | | - |
| Withdrawal rates | 0.05 | Increase/(Decrease) by | 0.02 | Increase/(Decrease) by | (0.01) | | - |
| Medical Inflation rate | 0.01 | Increase by | - | Decrease by | - | | (0.02) |
| Mortality rates | 1 Year | Increase by | - | Decrease by | - | | (0.01) |

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the

34. Capital Commitments

(INR lacs)

| 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 | 0.92 | 14.57 |
| Total | 0.92 | 14.57 |

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

35. Contingent liabilities

The Company does not have any contingent liabilities as at March 31, 2019 and as at March 31, 2018.

36. 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.

36.1 Payments recognised as an expense

(INR lacs)

| Particular | As at March 31, 2019 | As at March 31, 2018 |
|------------------------|----------------------|----------------------|
| Minimum Lease payments | 0.40 | 0.40 |
| Total | 0.40 | 0.40 |

36.2 Non-cancellable operating lease commitments.

(INR lacs)

| Particular | As at March 31, 2019 | As at March 31, 2018 |
|--|----------------------|----------------------|
| Not later than 1 year | 0.40 | 0.40 |
| Later than 1 year and not later than 5 years | 1.62 | 1.62 |
| Later than 5 years | 5.17 | 5.57 |

37. Payments to the auditors comprise (including taxes):-

(INR lacs)

| Particular | For the year ended March 31, 2019 | For the year ended March 31, 2018 |
|---------------------------|-----------------------------------|-----------------------------------|
| (a) For statutory audit | 1.77 | 1.77 |
| (b) For limited review | 1.77 | 2.66 |
| (c) For tax audit | 0.59 | 0.59 |
| (d) Out of pocket expense | 0.04 | 0.01 |
| Total | 4.17 | 5.03 |



38. Details of Expenditure on Corporate Social Responsibility :

| Particular | (INR lacs) | |
|--|--|--|
| | Year ended March 31, 2019 INR lacs | Year ended March 31, 2018 INR lacs |
| Contribution to Tata Power Community | - | - |
| Expenses incurred by the Company | - | 0.10 |
| Total | - | 0.10 |
| Amount required to be spent as per section | - | - |
| Amount spent during the year on: | | |
| (a) Construction/Acquisition of asset | - | - |
| (b) On purposes other than (a) above | - | - |

39. 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.

40. Disclosure under Micro, Small and Medium Enterprises Development Act, 2006

According to the records available with the Company, dues payable to entities that are classified as Micro and Small Enterprises under the Micro, Small and Medium Enterprises Development Act, 2006 during the year is Rs. Nil (previous year Rs. Nil). Accordingly, disclosures relating to amounts unpaid as the year end together with the interest paid/ payable as required under the said Act are not applicable. Further no interest has been paid or was payable to such parties under the said Act in the previous year. Dues to Micro, small and medium 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.

41. The Company is eligible for tax holiday under section 80IA of Income Tax Act, 1961 and planning to avail the tax holiday period benefit from the Financial year 2018-19 to 2028-29. Accordingly, net deferred tax liabilities for timing differences originating as on Balance Sheet date and reversing with in tax holiday period has not been recognized.

42 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.

43. The Company does not have any pending litigations which would impact its financial position.

44. Previous year's figures are regrouped and/or reclassified wherever considered necessary.

The accompanying notes are an integral part of the financial statements

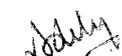
As per our report on even date
 For S R B C & CO LLP
 Chartered Accountants
 Firm Registration No: 324982E/E300003

For and on behalf of Board of Directors



per Suresh Yadav
 Partner
 Membership No. 119878

Date: 15th April, 2019
 Place: Mumbai



Aditya Gupta
 Director
 DIN: 08108477

Date: 15th April, 2019
 Place: Mumbai



Vidyadhar Wagle
 Director
 DIN: 07530102

Date: 15th April, 2019
 Place: Mumbai