

## INDEPENDENT AUDITOR'S REPORT

To the Members of Clean Sustainable Solar Energy Private Limited

Report on the Audit of the Ind AS Financial Statements

### Opinion

We have audited the accompanying Ind AS financial statements of Clean Sustainable Solar Energy Private Limited ("the Company"), which comprise the Balance sheet as at March 31, 2020, 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, 2020, its profit including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

### Basis for Opinion

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

### Other Information

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

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

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

## Responsibility of Management for the Ind AS Financial Statements

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

## 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 books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - (c) The Balance Sheet, the Statement of Profit and Loss including 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, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164 (2) of the Act;
  - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company 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) In our opinion, the managerial remuneration (if any) for the year ended March 31, 2020 has been paid / provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act;

- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company does not have any pending litigations which would impact its financial position;
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For S R B C & C O L L P  
Chartered Accountants  
ICAI Firm Registration Number: 324982E/E300003

per Vishal Bansal  
Partner  
Membership Number: 097546  
Place of Signature: Mumbai  
Date: April 28, 2020  
UDIN: 20097546AAAABS1960

Clean Sustainable Solar Energy Private Limited  
Page 5 of 9

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

Re: Clean Sustainable Solar Energy Private Limited ('the Company')

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) All fixed assets were physically verified by the management in the current year in accordance with a planned programme of verifying them once in three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed 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,
  - a. The Company has granted loans to one company covered in the register maintained under section 189 of the Companies Act, 2013. In our opinion and according to the information and explanations given to us, the terms and conditions of the grant of such loans are not prejudicial to the Company's interest.
  - b. The Company has granted loans to one company covered in the register maintained under section 189 of the Companies Act, 2013. The schedule of repayment of principal and payment of interest has been stipulated for the loans granted and the repayment/receipts are regular.
  - c. There are no amounts of loans granted to companies, firms or other parties listed in the register maintained under section 189 of the Companies Act, 2013 which are overdue for more than ninety days.
- (iv) In our opinion and according to the information and explanations given to us, provisions of section 185 and 186 of the Companies Act 2013 in respect of loans to directors including entities in which they are interested and in respect of loans and advances given, investments made, guarantees, and securities given have been complied with by the Company.
- (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) We have broadly reviewed the books of accounts maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under Section 148(1) of the Companies Act, 2013, related to the generation of power through renewable sources, and are of the opinion that prima facie, the specified accounts and records have been made and maintained. We have not, however, made a detailed examination of the same.
- (vii) (a) Undisputed statutory dues including provident fund, profession tax, income-tax and goods and service tax have generally been regularly deposited with the appropriate authorities though there has been a slight delay in a few cases. The provisions of employees' state insurance, sales-tax, service tax, duty of custom, duty of excise, value added tax and cess are not applicable to the Company.
  - (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, profession tax, income-tax and goods and service tax were outstanding, at the year end, for a period of more than six months from the date they became payable. The provisions of employees' state insurance, sales-tax, service tax, duty of custom, duty of excise, value added tax and cess are not applicable to the Company.
  - (c) According to the information and explanations given to us, there are no dues of provident fund, profession tax, income-tax and goods and service tax which have not been deposited on account of any dispute. The provisions of employees' state insurance, sales-tax, service tax, duty of custom, duty of excise, value added tax and cess are not applicable to the Company.
- (viii) The Company did not have any outstanding loans and borrowing dues in respect of a financial institution or bank or to government or dues to debenture holders during the year.
- (ix) According to the information and explanations given by the management, the Company has not raised any money way of initial public offer / further public offer / debt instruments and term loans hence, reporting under clause (ix) is not applicable to the Company and hence not commented upon.
- (x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud by the Company or no fraud on the Company by the officers and employees of the Company has been noticed or reported during the year.
- (xi) According to the information and explanations given by the management, the managerial remuneration (if any) has been paid / provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.

Clean Sustainable Solar Energy Private Limited  
Page 7 of 9

- (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.
  
- (xii) According to the information and explanations given by the management, transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.
  
- (xi) 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.
  
- (xv) 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 & C O L L P  
Chartered Accountants  
ICAI Firm Registration Number: 324982E/E300003

per Vishal Bansal  
Partner  
Membership Number: 097546  
Place of Signature: Mumbai  
Date: April 28, 2020  
UDIN: 20097546AAAABS1960

Clean Sustainable Solar Energy Private Limited  
Page 8 of 9

## ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF CLEAN SUSTAINABLE SOLAR ENERGY PRIVATE 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 Clean Sustainable Solar Energy Private Limited ("the Company") as of March 31, 2020 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.

Clean Sustainable Solar Energy Private Limited  
Page 9 of 9

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

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

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

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

per Vishal Bansal  
Partner  
Membership Number: 097546  
Place of Signature: Mumbai  
Date: April 28, 2020  
UDIN: 20097546AAAABS1960

**Clean Sustainable Solar Energy Private Limited**  
**Balance Sheet as at 31st March, 2020**

	Notes	As at 31st March, 2020 ₹ Lacs	As at 31st March, 2019 ₹ Lacs
<b>ASSETS</b>			
<b>Non-current Assets</b>			
(a) Property, Plant and Equipment	6	36.40	39.97
(b) Capital Work-in-Progress		-	0.22
(c) Financial Assets			
(i) Loans	8	44.28	31.90
(ii) Receivables under service concession arrangement	11	19,822.93	19,981.17
(d) Non-current Tax Assets (Net)	12	135.78	132.34
(e) Deferred Tax Assets (Net)	13	-	46.42
(f) Other Non-current Assets	14	-	40.34
<b>Total Non-current Assets</b>		<b>20,039.39</b>	<b>20,272.36</b>
<b>Current Assets</b>			
(a) Inventories	9	96.33	100.21
(b) Financial Assets			
(i) Investments	7	11.06	401.65
(ii) Trade Receivables	10	697.59	1,074.14
(iii) Unbilled Revenue		457.26	462.71
(iv) Cash and Cash Equivalents	15	5.99	3.94
(v) Loans	8	3,524.40	-
(vi) Other Current Financial Assets	11	327.10	264.50
(c) Other Current Assets	14	30.65	35.55
<b>Total Current Assets</b>		<b>5,150.38</b>	<b>2,342.70</b>
<b>TOTAL ASSETS</b>		<b>25,189.77</b>	<b>22,615.06</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
(a) Equity Share Capital	16	1.00	1.00
(b) Other Equity	17	6,660.23	5,036.63
<b>Total Equity</b>		<b>6,661.23</b>	<b>5,037.63</b>
<b>LIABILITIES</b>			
<b>Non-current Liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	18	14,839.00	14,839.00
(b) Deferred Tax Liabilities (Net)	13	70.29	-
(c) Provisions	21	0.15	0.99
<b>Total Non-current Liabilities</b>		<b>14,909.44</b>	<b>14,839.99</b>
<b>Current Liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	23	1,761.50	920.00
(ii) Trade Payables			
(a) Total outstanding dues of micro enterprises and small enterprises [ Refer note 33]		-	-
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises		177.33	164.32
(iii) Other Financial Liabilities	19	1,523.83	1,493.14
(b) Current Tax Liabilities (Net)	20	-	3.38
(c) Provisions	21	0.01	0.03
(d) Other Current Liabilities	22	156.43	156.57
<b>Total Current Liabilities</b>		<b>3,619.10</b>	<b>2,737.44</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>25,189.77</b>	<b>22,615.06</b>

**See accompanying notes to the Financial Statements**

As per our report of even date.

For and on behalf of the Board of Directors,

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

Satish Bhat  
Director  
DIN 07598210

Gautam Attravanam  
Director  
DIN 08284326

per Vishal Bansal  
Partner  
Membership No. 097546

Mumbai, 28th April 2020

Mumbai, 28th April 2020

**Clean Sustainable Solar Energy Private Limited**  
**Statement of Profit and Loss for the year ended 31st March, 2020**

	Notes	For the year ended 31st March, 2020 ₹ Lacs	For the year ended 31st March, 2019 ₹ Lacs	
I	Revenue from Operations	24	4,061.20	4,213.41
II	Other Income	25	65.62	106.84
III	<b>Total Income</b>		<b>4,126.82</b>	<b>4,320.25</b>
IV	<b>Expenses</b>			
	Employee Benefits Expense	26	7.66	15.54
	Finance Costs	27	1,551.94	1,726.15
	Depreciation and Amortisation Expenses	7	2.94	3.21
	Other Expenses	28	296.16	313.43
	<b>Total Expenses</b>		<b>1,858.70</b>	<b>2,058.33</b>
V	<b>Profit Before Tax</b>		<b>2,268.12</b>	<b>2,261.92</b>
VI	<b>Tax Expense</b>	29		
	Current Tax		528.20	606.79
	Deferred Tax		116.71	(49.96)
			<b>644.91</b>	<b>556.83</b>
VII	<b>Profit after tax for the year</b>		<b>1,623.21</b>	<b>1,705.09</b>
VIII	<b>Other Comprehensive Income/(Expenses)</b>			
	<i>Add/(Less):</i>			
	(i) Items that will not be reclassified to profit or loss			
	(a) Remeasurement of the Defined Benefit Plans	21	0.39	0.09
			<b>0.39</b>	<b>0.09</b>
IX	<b>Total Comprehensive Income for the Year (VII + VIII)</b>		<b>1,623.60</b>	<b>1,705.18</b>
X	<b>Basic and Diluted Earnings Per Equity Share (of ₹ 10/- each) (₹)</b>	30		
	(i) Basic (in INR)		16,236.00	17,050.90
	(ii) Diluted (in INR)		16,236.00	17,050.90

**See accompanying notes to the Financial Statements**

As per our report of even date.

For and on behalf of the Board of Directors,

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

Satish Bhat  
Director  
DIN 07598210

Gautam Attravanam  
Director  
DIN 08284326

per Vishal Bansal  
Partner  
Membership No. 097546

Mumbai, 28th April 2020

Mumbai, 28th April 2020

Clean Sustainable Solar Energy Private Limited

Statement of Cash Flows for the year ended 31st March, 2020

	₹ Lacs	
	For the year ended 31st March, 2020	For the year ended 31st March, 2019
<b>A. Cash Flow from Operating Activities</b>		
Profit before tax	2,268.12	2,261.92
<b>Adjustments to reconcile Profit Before Tax to Net Cash Flows:</b>		
Depreciation and Amortisation Expense	2.94	3.21
Liability no longer required written back	0.28	-
Finance income from service concession arrangement	(3,861.56)	(3,995.94)
(Gain)/Loss on Disposal of Property, Plant and Equipment (Net)	1.73	-
Finance Cost	1,551.94	1,726.15
Interest Income	(43.06)	(80.19)
Interest Income on income tax refund	(15.81)	-
Gain on Sale/Fair Value of Current Investments measured at FVTPL	(6.75)	(26.65)
	<b>(2,370.29)</b>	<b>(26.65)</b>
<b>Working Capital Adjustments:</b>		
<b>Adjustments for increase/(decrease) in Operating Assets:</b>		
Inventories	3.88	6.77
Trade Receivables	376.55	65.15
Unbilled Revenue	5.45	(50.21)
Other Current Assets	4.90	726.63
Other Non-current Assets	40.34	(40.34)
Other Financial Assets - Current	(0.40)	-
Other Financial Assets - Non-Current	(12.38)	-
<b>Movement in Operating Asset</b>	<b>418.34</b>	<b>708.00</b>
<b>Adjustments for (increase)/decrease in Operating Liabilities:</b>		
Trade Payables	12.73	18.76
Other Current Liabilities	(0.14)	-
Other Financial Liabilities - Current	-	(43.26)
Current Provisions	(0.02)	(0.01)
Non-current Provisions	(0.45)	(0.02)
<b>Movement in Operating Liability</b>	<b>12.12</b>	<b>(24.53)</b>
<b>Cash Flow from Operations</b>	<b>328.29</b>	<b>571.97</b>
Income-tax Paid	(535.02)	(866.12)
<b>Net Cash Flow from Operating Activities</b>	<b>(206.73)</b>	<b>(294.15)</b>
<b>B. Cash Flow from Investing Activities</b>		
Capital expenditure on Property, Plant and Equipment (including capital advances)	(0.88)	(30.15)
Interest income on income tax refund	15.81	-
Proceeds under service concession arrangement	134.39	195.61
Finance income from service concession arrangement	3,861.56	3,995.94
Purchase of Current Investments	(2,179.00)	(5,451.00)
Proceeds from sale of Current Investments	2,576.34	5,076.00
Inter-corporate Deposits :		
- Given	(3,638.00)	-
- Received back	114.00	-
Interest Received	4.31	80.19
<b>Net Cash Flow used in Investing Activities</b>	<b>888.53</b>	<b>3,866.59</b>
<b>C. Cash Flow from Financing Activities</b>		
Proceeds from current borrowings-related party	1,802.50	920.00
Repayment of current borrowings-related party	(961.00)	(2,850.00)
Finance Cost Paid	(1,521.25)	(2,006.38)
<b>Net Cash Flow from/(used in) Financing Activities</b>	<b>(679.75)</b>	<b>(3,936.38)</b>
<b>Net Increase in Cash and Cash Equivalents</b>	<b>2.05</b>	<b>(363.94)</b>
<b>Cash and Cash Equivalents as at 1st April (Opening Balance)</b>	<b>3.94</b>	<b>367.88</b>
<b>Cash and Cash Equivalents as at 31st March (Closing Balance)</b>	<b>5.99</b>	<b>3.94</b>

**Breakup of Cash and Cash Equivalents as at 1st April**

(i) Balances with Banks:

In Current Accounts	3.94	367.88
	<b>3.94</b>	<b>367.88</b>

**Breakup of Cash and Cash Equivalents as at 31st March**

(i) Balances with Banks:

In Current Accounts	5.99	3.94
	<b>5.99</b>	<b>3.94</b>

As per our report of even date.

For and on behalf of the Board of Directors,

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

Satish Bhat  
Director  
DIN 07598210

Gautam Attravanam  
Director  
DIN 08284326

per Vishal Bansal  
Partner  
Membership No. 097546

Mumbai, 28th April 2020

Mumbai, 28th April 2020

**Clean Sustainable Solar Energy Private Limited**  
**Statement of Changes in Equity**

**A. Equity Share Capital**

₹ Lacs

	No. of Shares	Amount
<b>Balance as at 1st April, 2018</b>	10,000	1.00
Issued during the year	-	-
<b>Balance as at 31st March, 2019</b>	10,000	1.00
Issued during the year	-	-
<b>Balance as at 31st March, 2020</b>	10,000	1.00

**B. Other Equity**

₹ Lacs

Description	Reserves and Surplus		Total
	Retained Earnings	Equity component of Interest free related party loan	
<b>Balance as at 1st April, 2018</b>	3,129.82	201.63	3,331.45
Profit for the year	1,705.09	-	1,705.09
Other Comprehensive Income for the year (Net of Tax)	0.09	-	0.09
<b>Total Comprehensive Income</b>	<b>1,705.18</b>	<b>-</b>	<b>1,705.18</b>
<b>Balance as at 31st March, 2019</b>	<b>4,835.00</b>	<b>201.63</b>	<b>5,036.63</b>
<b>Balance as at 1st April, 2019</b>	4,835.00	201.63	5,036.63
Profit for the year	1,623.21	-	1,623.21
Other Comprehensive Income for the year (Net of Tax)	0.39	-	0.39
<b>Total Comprehensive Income</b>	<b>1,623.60</b>	<b>-</b>	<b>1,623.60</b>
<b>Balance as at 31st March, 2020</b>	<b>6,458.60</b>	<b>201.63</b>	<b>6,660.23</b>

See accompanying notes to the Financial Statements

As per our report of even date.

For and on behalf of the Board of Directors,

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

Satish Bhat  
Director  
DIN 07598210

Gautam Attravanam  
Director  
DIN 08284326

per Vishal Bansal  
Partner  
Membership No. 097546

Mumbai, 28th April 2020

Mumbai, 28th April 2020

**Clean Sustainable Solar Energy Private Limited**  
**Notes to the Financial Statements**

**1. Corporate Information:**

Clean Sustainable Solar Energy Private Limited ("CSSEPL" or the "Company") was incorporated on March 15, 2014. CSSEPL is a subsidiary company of Walwhan Renewable Energy Limited ("WREL"), CSSEPL entered into a public private partnership agreement with Maharashtra State Power Generation Company Limited ("MAHAGENCO") for selling off 50 MW power project (Project).

The Company is a private 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 28, 2020.

**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 for adoption of Ind AS 116 Leases and certain other changes to Ind AS (Refer note 4) and have also become applicable to the company from the financial year beginning 1st April 2019. However, their application did not have any material impact on the financial statements.

**2.2 Basis of preparation and presentation**

The financial statements have been prepared on using accrual basis of accounting and 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. Other Significant Accounting Policies**

**3.1 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.

**3.2 Current versus non-current classification**

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

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

All other assets are classified as non-current.

A liability is current when:

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

The Company classifies all other liabilities as non-current.

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

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

**3.3 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 Group 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.

**3.4 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.

**3.4.1 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.

**3.4.2 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.

**Clean Sustainable Solar Energy Private Limited**  
**Notes to the Financial Statements**

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.

**3.4.3 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.

**3.4.4 Derecognition**

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's 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's 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.

**3.4.5 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 provided that there is no financing document. 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 dependent whether the credit risk on the financial asset has increased significantly since initial recognition.

**3.5 Financial liabilities and equity instruments**

**3.5.1 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.

**3.5.2 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.

**3.5.3 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.

**3.5.4 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.

**3.5.5 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.

**3.6 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.

**3.7 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.

**3.8 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.

**3.9 Dividend distribution to equity shareholders of the Company**

The Company recognises a liability to make dividend distributions to its equity holders when the distribution is authorised and the distribution is no longer at its discretion. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

In case of Interim Dividend, the liability is recognised on its declaration by the Board of Directors.

**4 Changes in accounting policies and disclosures**

**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 April 1, 2019. The Company has applied Ind AS 116 'Leases' (Ind AS 116) with a date of initial application of April 1, 2019 using modified retrospective approach, under which the cumulative effect of initial application is recognized as at April 1, 2019.

Lessor accounting under Ind AS 116 is substantially unchanged from Ind AS 17. As a lessee, the Company previously classified leases as operating or finance lease based on its assessment of whether the lease transferred significantly all of the risk and rewards incidental to the ownership of the underlying asset of the Company. On application of Ind AS 116, the Company needs to recognise right of use (ROU) asset and lease liability for most leases where it is lessee. However, the adoption of Ind AS 116 did not have any material impact on the financial statements as there are no such transactions.

**5. Critical accounting estimates and judgements**

In the application of the Company's 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:

Estimates used for impairment of property, plant and equipment of certain cash generating units (CGU) - Note 6

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

## Clean Sustainable Solar Energy Private Limited

### Notes to the Financial Statements

#### 6. Property, Plant and Equipment

##### Accounting Policy

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.

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

##### **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:

Type of asset	Useful lives
Buildings	25 years
Plant and Equipment	25 years
Furniture and Fixtures	10 years
Office Equipment	5 years
Vehicles	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.

##### **Impairment**

##### **Impairment of tangible and intangible 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.

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

## Notes to the Financial Statements

6. Property, Plant and Equipment (*Contd.*)

₹ Lacs

Description	Plant and Equipment	Furniture and Fixtures	Office Equipment	Vehicles	Total
<b>Cost</b>					
Balance as at 1st April, 2019	37.69	5.53	8.01	0.33	51.56
Additions	0.15	-	0.93	-	1.08
Disposals	-	3.69	-	-	3.69
<b>Balance as at 31st March, 2020</b>	<b>37.84</b>	<b>1.84</b>	<b>8.94</b>	<b>0.33</b>	<b>48.95</b>
<b>Accumulated depreciation and impairment</b>					
Balance as at 1st April, 2019	2.30	2.45	6.75	0.09	11.59
Depreciation Expense	1.53	0.53	0.84	0.03	2.93
Eliminated on disposal of assets	-	1.97	-	-	1.97
<b>Balance as at 31st March, 2020</b>	<b>3.83</b>	<b>1.01</b>	<b>7.59</b>	<b>0.12</b>	<b>12.55</b>
<b>Net carrying amount</b>					
<b>As at 31st March, 2020</b>	<b>34.01</b>	<b>0.83</b>	<b>1.35</b>	<b>0.21</b>	<b>36.40</b>
<b>As at 31st March, 2019</b>	<b>35.39</b>	<b>3.08</b>	<b>1.26</b>	<b>0.24</b>	<b>39.97</b>

₹ Lacs

Description	Plant and Equipment	Furniture and Fixtures	Office Equipment	Vehicles	Total
<b>Cost</b>					
Balance as at 1st April, 2018	7.81	5.53	7.95	0.33	21.62
Additions	29.88	-	0.06	-	29.94
<b>Balance as at 31st March, 2019</b>	<b>37.69</b>	<b>5.53</b>	<b>8.01</b>	<b>0.33</b>	<b>51.56</b>
<b>Accumulated depreciation and impairment</b>					
Balance as at 1st April, 2018	1.15	1.92	5.24	0.06	8.37
Depreciation Expense	1.15	0.53	1.51	0.03	3.22
<b>Balance as at 31st March, 2019</b>	<b>2.30</b>	<b>2.45</b>	<b>6.75</b>	<b>0.09</b>	<b>11.59</b>
<b>Net carrying amount</b>					
<b>As at 31st March, 2019</b>	<b>35.39</b>	<b>3.08</b>	<b>1.26</b>	<b>0.24</b>	<b>39.97</b>
<b>As at 31st March, 2018</b>	<b>6.66</b>	<b>3.61</b>	<b>2.71</b>	<b>0.27</b>	<b>13.25</b>



## Clean Sustainable Solar Energy Private Limited

### Notes to the Financial Statements

#### 8. Loans

(Unsecured unless otherwise stated)

	<u>As at</u> <u>31st March, 2020</u> <u>₹ Lacs</u>	<u>As at</u> <u>31st March, 2019</u> <u>₹ Lacs</u>
<b>Non-current</b>		
<b>(At Amortised Cost)</b>		
(i) <b>Security Deposits</b>		
Considered Good - Unsecured	44.28	31.90
	<b>44.28</b>	<b>31.90</b>
<b>Current</b>		
<b>(At Amortised Cost)</b>		
(i) <b>Security Deposits</b>		
Considered Good - Unsecured	0.40	-
(ii) <b>Loans to Related Parties</b>		
Considered Good - Unsecured	3,524.00	-
	<b>3,524.40</b>	<b>-</b>

\*The Company enter into Inter corporate deposit with Walwhan Renewable Energy limited for a period of 7 months, inter corporate deposit is unsecured.

Interest rate- Average yield on liquid mutual funds for 3 months

Repayment terms: The principal is payable at the end of 90 days along with interest.

## Clean Sustainable Solar Energy Private Limited

### Notes to the Financial Statements

#### 9. Inventories Accounting Policy

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.
- Finished goods and work in progress: cost includes cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity, but excluding borrowing costs.

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.

	<b>As at 31st March, 2020 ₹ Lacs</b>	<b>As at 31st March, 2019 ₹ Lacs</b>
<b>Inventories valued at (lower of cost and net realisable value)</b>		
<b>(a) Stores and Spares</b>		
Stores and Spare Parts	94.82	100.21
<b>(b) Loose Tools</b>	1.51	-
	<b>96.33</b>	<b>100.21</b>

## Clean Sustainable Solar Energy Private Limited

### Notes to the Financial Statements

#### 10. Trade Receivables

(Unsecured unless otherwise stated)

	As at 31st March, 2020 ₹ Lacs	As at 31st March, 2019 ₹ Lacs
<b>Trade Receivables [Refer note 10.1]</b>	697.59	1,074.14
	<b>697.59</b>	<b>1,074.14</b>
<b>Break-up for security details</b>		
Trade receivables		
Unsecured, considered good	697.59	1,074.14
	<b>697.59</b>	<b>1,074.14</b>

#### 10.1 Age of receivables

	As at 31st March, 2020 ₹ Lacs	As at 31st March, 2019 ₹ Lacs
Within the credit period	691.83	724.40
1-90 days past due	-	342.33
91-182 days past due	-	-
More than 182 days past due	5.76	7.41
	<b>697.59</b>	<b>1,074.14</b>

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

## Notes to the Financial Statements

## 11. Other Financial Assets

	As at 31st March, 2020 ₹ Lacs	As at 31st March, 2019 ₹ Lacs
<b>Non-current (At Amortised Cost)</b>		
(i) Receivables under Service Concession Agreement	19,822.93	19,981.17
	<b>19,822.93</b>	<b>19,981.17</b>
<b>Current (At Amortised Cost)</b>		
(i) <b>Accruals</b>		
Unsecured, considered good		
Interest Accrued on Loans to Related Parties	38.75	-
(ii) Receivables under Service Concession Agreement	288.35	264.50
	<b>327.10</b>	<b>264.50</b>

## 12. Tax Assets

	As at 31st March, 2020 ₹ Lacs	As at 31st March, 2019 ₹ Lacs
<b>Non-current Tax Assets</b>		
Advance Income-tax (Net)	135.78	132.34
	<b>135.78</b>	<b>132.34</b>

The space has been left blank intentionally

Clean Sustainable Solar Energy Private Limited  
Notes to the Financial Statements

13. Deferred Tax (Net)

(Refer Note 29)

Deferred Tax Liabilities/Assets

	As at 31st March, 2020 ₹ Lacs	As at 31st March, 2019 ₹ Lacs	
Deferred Tax Assets	355.03	274.71	
Deferred Tax Liabilities	425.33	228.29	
<b>Total - Net Deferred Tax Liabilities/Assets</b>	<b>70.30</b>	<b>46.42</b>	

  

2019-20	Opening Balance	Recognised in Profit or Loss	Closing Balance
<b>Deferred Tax Assets in relation to:</b>			
Brought Forward Losses	-	-	-
MAT Credit Entitlement	274.71	80.32	355.03
	<b>274.71</b>	<b>80.32</b>	<b>355.03</b>
<b>Deferred Tax Liabilities in relation to:</b>			
Property, Plant and Equipment	0.78	0.25	1.03
Deferred Revenue	227.51	196.79	424.30
	<b>228.29</b>	<b>197.04</b>	<b>425.33</b>
<b>Net Deferred Tax Liabilities</b>	<b>46.42</b>	<b>(116.72)</b>	<b>(70.30)</b>

  

2018-19	Opening Balance	Recognised in Profit or Loss	Closing Balance
<b>Deferred Tax Assets in relation to:</b>			
Brought Forward Losses	-	-	-
MAT Credit Entitlement	-	274.71	274.71
	-	<b>274.71</b>	<b>274.71</b>
<b>Deferred Tax Liabilities in relation to:</b>			
Property, Plant and Equipment	3.54	(2.76)	0.78
Deferred Revenue	-	227.51	227.51
	<b>3.54</b>	<b>224.75</b>	<b>228.29</b>
<b>Net Deferred Tax Assets</b>	<b>(3.54)</b>	<b>49.96</b>	<b>46.42</b>

Reconciliation of Deferred Tax Expense amount recognised in profit or loss

	Recognised in profit or loss	
	For the year ended 31st March, 2020 ₹ lacs	For the year ended 31st March, 2019 ₹ lacs
<b>Deferred Tax Assets (Net)</b>		
Net (increase)/decrease in Deferred Tax Assets	-	(49.96)
<b>Deferred Tax Liabilities (Net)</b>		
Net increase/(decrease) in Deferred Tax Liabilities	116.72	-
<b>Deferred Tax Expense (Net)</b>	<b>116.72</b>	<b>(49.96)</b>

# Clean Sustainable Solar Energy Private Limited

## Notes to the Financial Statements

### 14. Other Assets

	As at 31st March, 2020 ₹ Lacs	As at 31st March, 2019 ₹ Lacs
<b>Non-current</b>		
<b>(i) Balances with Government Authorities</b>		
Unsecured, considered good		
VAT/Sales Tax Receivable	-	40.34
	<b>-</b>	<b>40.34</b>
<b>Current</b>		
<b>(i) Balances with Government Authorities</b>		
Unsecured, considered good		
Advances	25.29	29.47
	25.29	29.47
<b>(ii) Other Loans and Advances</b>		
Unsecured, considered good		
Prepaid Expenses	4.70	5.62
Advances to Vendors	0.46	0.46
Other Advances	0.20	-
	5.36	6.08
	<b>30.65</b>	<b>35.55</b>

## Notes to the Financial Statements

## 15. Cash and Cash Equivalents

**Accounting Policy**

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.

	As at 31st March, 2020 ₹ Lacs	As at 31st March, 2019 ₹ Lacs
(i) Balances with Banks:		
In Current Accounts	5.99	3.94
<b>Cash and Cash Equivalents as per Balance Sheet</b>	<b>5.99</b>	<b>3.94</b>
<b>Cash and Cash Equivalents as per Statement of Cash Flows</b>	<b>5.99</b>	<b>3.94</b>

Particulars	As at 01st April, 2019	Cash flows		Non-Cash Transactions	As at 31st March, 2020
		Proceeds	Repayment		
Non-current Borrowings (including Current Maturity of Non-current Borrowings)	14,839.00	-	-	-	14,839.00
Current Borrowings (excluding Bank Overdraft)	920.00	1,802.50	(961.00)	-	1,761.50
<b>Total</b>	<b>15,759.00</b>	<b>1,802.50</b>	<b>(961.00)</b>	<b>-</b>	<b>16,600.50</b>

Particulars	As at 01st April, 2018	Cash flows		Non-Cash Transactions	As at 31st March, 2019
		Proceeds	Repayment		
Non-current Borrowings (including Current Maturity of Non-current Borrowings)	14,839.00	-	-	-	14,839.00
Current Borrowings (excluding Bank Overdraft)	2,850.00	1,123.00	(3,053.00)	-	920.00
<b>Total</b>	<b>17,689.00</b>	<b>1,123.00</b>	<b>(3,053.00)</b>	<b>-</b>	<b>15,759.00</b>

## Notes to the Financial Statements

## 16. Share Capital

	As at 31st March, 2020		As at 31st March, 2019	
	Number	₹ Lacs	Number	₹ Lacs
<b>Authorised</b>				
Equity Shares of ₹ 10/- each	10,000	1.00	10,000	1.00
		<u>1.00</u>		<u>1.00</u>
<b>Issued</b>				
Equity shares of ₹ 10 each	10,000	1.00	10,000	1.00
<b>Subscribed and Paid-up</b>				
Equity shares of ₹ 10 each	10,000	1.00	10,000	1.00
<b>Total Issued, Subscribed and fully Paid-up Share Capital</b>		<u>1.00</u>		<u>1.00</u>

## (i) Reconciliation of the shares outstanding at the beginning and at the end of the reporting period

	As at 31st March, 2020		As at 31st March, 2019	
	Number	₹ Lacs	Number	₹ Lacs
<b>Equity Shares</b>				
At the beginning of the year	10,000	1.00	10,000	1.00
Issued during the year	-	-	-	-
Outstanding at the end of the year	10,000	1.00	10,000	1.00

## (ii) Terms/rights attached to Equity Shares

The Company has issued only one class of Equity Shares having a par value of ₹ 10/- per share. Each holder of Equity Shares is entitled to one vote per share. The Company declares and pays dividend in Indian rupees.

In the event of liquidation of the Company, the holders of Equity Shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of Equity Shares held by the shareholders.

## (iii) Details of shares held by each shareholder holding more than 5%

	As at 31st March, 2020		As at 31st March, 2019	
	Number	% Holding	Number	% Holding
<b>Equity Shares of ₹ 10/- each fully paid</b>				
Walwhan Renewable Energy Limited*	9,999	99.99	9,999	99.99
*Including 5 equity shares held by nominee shareholders on behalf of Walwhan Renewable Energy Limited				

## (iv) Details of share held by the holding company, its subsidiaries and associates

	As at 31st March, 2020		As at 31st March, 2019	
	Number	% Holding	Number	% Holding
Walwhan Renewable Energy Limited*				
*Including 5 equity shares held by nominee shareholders on behalf of Walwhan Renewable Energy Limited		9,999		9,999

**Clean Sustainable Solar Energy Private Limited****Notes to the Financial Statements****17. Other Equity**

	<b>As at 31st March, 2020 ₹ Lacs</b>	<b>As at 31st March, 2019 ₹ Lacs</b>
<b>Retained Earnings</b>		
Opening balance	4,835.00	3,129.82
Add: Profit for the year	1,623.21	1,705.09
Add: Other Comprehensive Income/(Expense) arising from Remeasurement of Defined Benefit Obligation (Net of Tax)	0.39	0.09
	<u>1,623.60</u>	<u>1,705.18</u>
Closing Balance	<u>6,458.60</u>	<u>4,835.00</u>
<b>Equity Contribution- Interest Free Loan</b>		
Opening Balance	201.63	201.63
Add: Addition during the year	-	-
Closing Balance	<u>201.63</u>	<u>201.63</u>
<b>Total</b>	<u><u>6,660.23</u></u>	<u><u>5,036.63</u></u>

**Nature and purpose of reserves****Retained Earnings**

Retained Earnings are the profits of the Company earned till date net of appropriations.

**Equity Contribution on Interest Free Loan**

Equity contribution on account of interest free loan given by the Walwhan Renewable Energy Limited (WREL) to the Company to set up plant and same has been accounted for as per IND AS 109.

The space has been left blank intentionally

## 18. Non-current Borrowings

	As at 31st March, 2020	As at 31st March, 2019
	₹ Lacs	₹ Lacs
(i) <b>Unsecured - At Amortised Cost (refer Note 18.1)</b>		
Loans from Related Parties	14,839.00	14,839.00
<b>Total</b>	<b>14,839.00</b>	<b>14,839.00</b>

## 18.1 Summary of borrowing arrangements

**As on March 31, 2020**

The Company entered into a Inter Corporate Deposit ('ICD') Agreement with Walwhan Renewable Energy Ltd. (Formerly known as Walwhan Renewable Energy Pvt. Ltd. & Welspun Renewables Energy Pvt. Ltd.) for an amount of Rs. 15,500 lacs on April 11, 2017 (ICD). This Agreement was in supersession of the earlier ICD Agreement dated May 6, 2016. Inter-corporate debt is unsecured.

**Terms of Repayment****As on March 31, 2020**

ICD is repayable as a bullet repayment at the end of 12 years from the date of disbursement. However, the Company has an option to prepay a part or entire amount of ICD without any prepayment premium.

**Interest Rate****As on March 31, 2020**

Interest rate is 10% p.a.

The space has been left blank intentionally

Clean Sustainable Solar Energy Private Limited

Notes to the Financial Statements

19. Other Financial Liabilities

	As at 31st March, 2020 ₹ Lacs	As at 31st March, 2019 ₹ Lacs
<b>Current</b>		
<b>(At Amortised Cost)</b>		
(a) Interest accrued but not due on Borrowings	1,523.83	1,493.14
	<b>1,523.83</b>	<b>1,493.14</b>

20. Tax Liabilities

	As at 31st March, 2020 ₹ Lacs	As at 31st March, 2019 ₹ Lacs
<b>Current Tax Liabilities</b>		
Income-tax Payable	-	3.38
<b>Total</b>	<b>-</b>	<b>3.38</b>

The space has been left blank intentionally

## Notes to the Financial Statements

## 21. Provisions

**Accounting Policy**

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).

Present obligations arising under onerous contracts are recognised and measured as provisions with charge to statement of profit and loss. An onerous contract is considered to exist where the Company has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received from the contract.

**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

**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 OCI in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods. Past service costs are recognised in the 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 benefits recognised at the earlier of when the entity can no longer with draw 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.

**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.

	As at 31st March, 2020 ₹ Lacs	As at 31st March, 2019 ₹ Lacs
<b>Non-current</b>		
<b>Provision for Employee Benefits</b>		
Compensated Absences	-	0.52
Gratuity (Net) [Refer Note 21 (2.3)]	0.15	0.33
Post-Employment Medical Benefits [Refer Note 21 (2.3)]	-	0.14
<b>Total</b>	<b>0.15</b>	<b>0.99</b>
<b>Current</b>		
<b>Provision for Employee Benefits</b>		
Compensated Absences	-	0.02
Gratuity (Net) [Refer Note 21 (2.3)]	0.01	0.01
<b>Total</b>	<b>0.01</b>	<b>0.03</b>

Clean Sustainable Solar Energy Private Limited

Notes to the Financial Statements

21. Provisions (Contd.)

Employee benefit plan

1. Defined Contribution plan

The Company makes provident fund contributions to defined contribution plan for eligible employees. Under the schemes, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The provident fund contributions as specified under the law are paid to the statutory provident fund authorities. The Company has no obligation, other than the contribution payable to the fund. The Company recognizes such contribution payable to the fund as an expense, when an employee renders the related service.

The Company has recognised INR .13 Lacs (31st March, 2019 INR .15 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.

2. Defined benefit plans

2.1 The Company operates the following funded defined benefit plans:

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.

Retirement Gift

The Company has a defined benefit plan granting a pre-determined sum as retirement gift on superannuation of an employee.

Gratuity

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 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.

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

Valuation as at

Discount Rate  
Salary Growth Rate  
Mortality rate  
  
Withdrawal Rate  
Retirement Age

	31st March, 2020	31st March, 2019
Discount Rate	6.50%	7.40%
Salary Growth Rate	7.00%	7.00%
Mortality rate	Indian Assured Lives Mortality (2006-08) (modified) Ult	Indian Assured Lives Mortality (2006-08) (modified) Ult
	21-44 years-6%	21-44 years-2.5%
	45 years and above - 2%	45 years and above - 1%
Withdrawal Rate		
Retirement Age	60 years	60 years

## Notes to the Financial Statements

## 21. Provisions (Contd.)

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

## Unfunded Plan - Gratuity and Other Defined Benefit Plans:

	Gratuity Amount ₹ Lacs	Other Defined Benefit Plans Amount ₹ Lacs	Total Amount ₹ Lacs
<b>Balance as at 1st April, 2018</b>	<b>0.43</b>	<b>0.14</b>	<b>0.57</b>
Current service cost	0.20	0.07	0.27
Interest Cost/(Income)	0.03	0.01	0.04
<b>Amount recognised in Statement of Profit and Loss</b>	<b>0.23</b>	<b>0.08</b>	<b>0.31</b>
<u>Remeasurement (gains)/losses</u>			
Actuarial (gains)/losses arising from changes in financial assumptions	0.01	0.02	0.03
Actuarial (gains)/losses arising from experience	(0.04)	(0.09)	(0.13)
<b>Amount recognised in Other Comprehensive Income</b>	<b>(0.03)</b>	<b>(0.07)</b>	<b>(0.10)</b>
Benefits paid	(0.29)	-	(0.29)
<b>Balance as at 31st March, 2019</b>	<b>0.34</b>	<b>0.15</b>	<b>0.49</b>
<b>Balance as at 1st April, 2019</b>	<b>0.34</b>	<b>0.15</b>	<b>0.49</b>
Current service cost	0.12	0.07	0.19
Past service cost	-	0.04	0.04
Interest Cost/(Income)	0.03	0.01	0.04
<b>Amount recognised in Statement of Profit and Loss</b>	<b>0.15</b>	<b>0.12</b>	<b>0.27</b>
<u>Remeasurement (gains)/losses</u>			
Actuarial (gains)/losses arising from changes in financial assumptions	0.02	-	0.02
Actuarial (gains)/losses arising from experience	(0.14)	(0.27)	(0.41)
<b>Amount recognised in Other Comprehensive Income</b>	<b>(0.12)</b>	<b>(0.27)</b>	<b>(0.39)</b>
Acquisitions credit/(cost)	(0.21)	-	(0.21)
<b>Balance as at 31st March, 2020</b>	<b>0.16</b>	<b>-</b>	<b>0.16</b>

Notes to the Financial Statements

21. Provisions (Contd.)

2.4 Sensitivity analysis

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

	Change in assumption		Increase in assumption		Decrease in assumption	
	31st March, 2020	31st March, 2019	31st March, 2020	31st March, 2019	31st March, 2020	31st March, 2019
	₹ Lacs	₹ Lacs	₹ Lacs	₹ Lacs	₹ Lacs	₹ Lacs
Discount rate	0.50%	0.50%	Decrease by (0.01)	(0.03)	Increase by 0.01	0.04
Salary growth rate	0.50%	0.50%	Increase by (0.01)	-	Decrease by (0.01)	(0.03)
Claim rates	5%	5%	Increase by -	0.11	Increase by -	-
Mortality rates	1 year	1 year	Increase by -	0.03	Decrease by -	(0.03)
Healthcare cost	0.50%	0.50%	Increase by -	0.01	Decrease by -	(0.01)

The above sensitivity analysis is 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 balance sheet.

The method and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior period.

2.5 The expected maturity analysis of undiscounted defined benefit obligation (Unfunded) is as follows:

Within 1 year  
Between 1 - 2 years  
Between 2 - 3 years  
Between 3 - 4 years  
Between 4 - 5 years  
Beyond 5 years

	31st March, 2020	31st March, 2019
	₹ Lacs	₹ Lacs
	0.01	0.05
	0.01	0.07
	0.02	0.09
	0.02	0.09
	0.02	0.10
	0.17	0.74

2.6 Risk exposure:

Through its defined benefit plans, the Company is exposed to a number of risks, the most significant of which are detailed below:

**Asset volatility:**

The plan liabilities are calculated using a discount rate set with reference to government bond yield. If plan assets underperform this yield, it will result in deficit. These are subject to interest rate risk. To offset the risk, the plan assets have been deployed in high grade insurer managed funds.

**Inflation rate risk:**

Higher than expected increase in salary and medical cost will increase the defined benefit obligation.

**Demographic risk:**

This is the risk of variability of results due to unsystematic nature of decrements that include mortality, withdrawal, disability and retirement. The effect of these decrements on the defined benefit obligations is not straight forward and depends upon the combination of salary increase, discount rate and vesting criterion.

**Clean Sustainable Solar Energy Private Limited**  
**Notes to the Financial Statements**

**22. Other Liabilities**

	<b>As at</b>	<b>As at</b>
	<b>31st March, 2020</b>	<b>31st March, 2019</b>
	<b>₹ Lacs</b>	<b>₹ Lacs</b>
<b>Current</b>		
Statutory Liabilities	156.40	156.54
Other Liabilities	0.03	0.03
<b>Total</b>	<b>156.43</b>	<b>156.57</b>

**23. Current Borrowings**

	<b>As at</b>	<b>As at</b>
	<b>31st March, 2020</b>	<b>31st March, 2019</b>
	<b>₹ Lacs</b>	<b>₹ Lacs</b>
<b>(i) Unsecured - At Amortised Cost</b>		
<b>From Others</b>		
(a) From Related Parties [Refer Note 23.1]	1,761.50	920.00
<b>Total</b>	<b>1,761.50</b>	<b>920.00</b>

**23.1 Terms of loan from related parties**

The Company have entered into Inter-Corporate deposit (ICD) with Walwhan Renewable Energy Limited at an interest rate of 7.04%. The principal is payable on maturity along with interest. This ICD is unsecured.

Terms of repayment :- The ICD is payable on demand.

The space has been left blank intentionally

## Clean Sustainable Solar Energy Private Limited

### Notes to the Financial Statements

#### 24. Revenue from Operations

##### Revenue recognition

##### Accounting Policy

Revenue from contracts with customers is recognized 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 :-

##### **a) Service concession agreement (SCA)- Recognition and measurement**

Company has entered into contract for design, part finance, engineering, manufacture, supply, erection, testing and commission, and 25 years of operation and maintenance of Grid Interactive Solar Power Project through Public Private Partnership basis with Maharashtra State Power Generation Company Limited (MAHAGENCO) dated June 16, 2014 (the agreement). Total Project Cost was Rs 37,393.82 Lacs, out of which MAHAGENCO has paid Rs. 15,000.00 Lacs to the Company at the time of commissioning of plant/Handover of Project. Remaining cost and the Cost of operating and maintaining the plant is being recovered over the period of the project i.e. 25 years in accordance with the agreement with MAHAGENCO.

Company has accounted for this as a service concession arrangement in accordance with IND AS - 115, Appendix C "Service Concession Agreement (SCA)", since the control with respect to the project asset is with MAHAGENCO and the same shall be handed over to MAHAGENCO at the end of the contract period free of any encumbrances. Since, Company is exposed only to availability risk but not the demand risk, the arrangement is accounted using the financial asset model.

As per the arrangement, the share of electricity revenue (as per joint meter reading and the company's proportion of electricity generated as per the agreement) is divided into three parts i.e., towards deferred payment, interest income and operation and maintenance revenue. Therefore, Company has initially measured financial asset at fair value and subsequently at amortized cost by recognizing share of electricity sale revenue first towards operation and maintenance revenue. Subsequent thereto, amount is recognised as interest income at computed IRR on opening balance of the financial asset. Further surplus of revenue share over and above operation and maintenance revenue and interest income is recognized as recovery of the financial asset.

##### **b) Interest Income**

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.

##### **Delayed payment charges**

Delayed payment charges and interest on delayed payments leviable as per the relevant contracts are recognised on actual realisation or accrued based on an assessment of certainty of realization supported by either an acknowledgement from customers or on receipt of favourable order from regulator / authorities. The management has assessed that the company will meet Ind AS 115 criteria for revenue recognition in respect of delay payment charge only at his stage.

##### **Unbilled revenue**

Unbilled revenue represents services rendered by the Company but not invoiced as at balance sheet date. The Company presents such unbilled revenue as financial asset if it has unconditional right to receive and billing is dependent only on the passage of time. If unconditional right to receive does not exist, then amount is presented as non-financial asset.

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.

Notes to the Financial Statements

24. Revenue from Operations (Contd.)

	For the year ended 31st March, 2020 ₹ Lacs	For the year ended 31st March, 2019 ₹ Lacs
<b>(a) Sale of services</b>		
Income in respect of Services Rendered	199.36	217.47
<b>(b) Other Operating Revenue</b>		
Finance income on Service Concession Agreement	3,861.56	3,995.94
Miscellaneous Revenue and Sundry Credits	0.28	-
	<b>4,061.20</b>	<b>4,213.41</b>

Details of Revenue from contract with customers

	For the year ended 31st March, 2020 ₹ Lacs	For the year ended 31st March, 2019 ₹ Lacs
Income in respect of Services Rendered	199.36	217.47
Finance income on Service Concession Agreement	3,861.56	3,995.94
<b>Total revenue from contract with customers</b>	<b>4,060.92</b>	<b>4,213.41</b>
Add : Rebate/ Discount	-	-
<b>Total revenue as per contracted price</b>	<b>4,060.92</b>	<b>4,213.41</b>

Contract balances

	For the year ended 31st March, 2020 ₹ Lacs	For the year ended 31st March, 2019 ₹ Lacs
<b>Contract assets</b>		
Deferred revenue to customers	-	-
<b>Total Contract assets</b>	<b>-</b>	<b>-</b>
<b>Contract liabilities</b>		
Deferred revenue from customers	-	-
<b>Total Contract Liabilities</b>	<b>-</b>	<b>-</b>
<b>Receivables</b>		
Trade receivables (Gross)	697.59	1,074.14
Unbilled revenue	457.26	462.71
Less : Allowances for doubtful trade receivable	-	-
<b>Net receivables</b>	<b>1,154.85</b>	<b>1,536.85</b>

Contract Asset is the right to consideration in exchange for goods and 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

## Notes to the Financial Statements

## 25. Other Income

**Accounting Policy****Interest income**

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.

	For the year ended 31st March, 2020 ₹ Lacs	For the year ended 31st March, 2019 ₹ Lacs
<b>(a) Interest Income</b>		
<b>(i) Financial Assets held at Amortised Cost</b>		
Interest on Loans to related party	43.06	-
	43.06	-
<b>(ii) Others</b>		
Interest on Income-tax Refund	15.81	80.19
	58.87	80.19
<b>(b) Gain/(Loss) on Investments</b>		
Gain on Sale of Current Investment measured at FVTPL	6.75	26.65
	6.75	26.65
<b>Total</b>	<b>65.62</b>	<b>106.84</b>

The space has been left blank intentionally

Notes to the Financial Statements

26. Employee Benefits Expense

	For the year ended 31st March, 2020 ₹ Lacs	For the year ended 31st March, 2019 ₹ Lacs
Salaries and Wages	6.02	13.49
Contribution to Provident Fund	0.13	0.15
Gratuity	0.15	0.23
Leave Encashment Scheme	0.45	0.42
Pension	0.21	0.28
Staff Welfare Expenses	0.70	0.97
<b>Total</b>	<b>7.66</b>	<b>15.54</b>

27. Finance Costs

**Accounting Policy**

**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.

	For the year ended 31st March, 2020 ₹ Lacs	For the year ended 31st March, 2019 ₹ Lacs
<b>(a) Interest Expense:</b>		
<b>On Borrowings (Carried at Amortised Cost)</b>		
Interest on Loans - Banks & Financial Institutions	-	-
Interest on loans from related parties	1,533.19	1,613.56
	1,533.19	1,613.56
<b>(b) Other Borrowing Cost:</b>		
Other Finance Costs	18.75	112.59
	18.75	112.59
	<b>1,551.94</b>	<b>1,726.15</b>

# Clean Sustainable Solar Energy Private Limited

## Notes to the Financial Statements

### 28. Other Expenses

	For the year ended 31st March, 2020 ₹ Lacs	For the year ended 31st March, 2019 ₹ Lacs
Consumption of Stores, Oil, etc.	8.82	4.53
Repairs and Maintenance -		
(i) To Buildings and Civil Works	0.31	1.72
(ii) To Machinery and Hydraulic Works	53.34	55.05
(iii) To Furniture, Vehicles, etc.	0.53	0.32
	54.18	57.09
Rates and Taxes	29.47	61.25
Insurance	10.70	9.28
Other Operation Expenses	20.89	19.44
Travelling and Conveyance Expenses	12.76	11.70
Consultants' Fees	3.69	1.41
Auditors' Remuneration [Refer note (i) below]	6.92	5.95
Cost of Services Procured	107.02	97.71
Corporate Social Responsibility Expenses [Refer note (ii) below]	35.06	38.38
Loss on Disposal of Property, Plant and Equipment	1.73	Nil
Miscellaneous Expenses	4.92	6.69
	<b>296.16</b>	<b>313.43</b>

#### (i) Payment to the auditors

	For the year ended 31st March, 2020 ₹ Lacs	For the year ended 31st March, 2019 ₹ Lacs
As Auditors - Statutory Audit	1.75	2.07
For Taxation Matters - Tax Audit	1.30	1.18
For Other Services	3.61	2.66
Reimbursement of Expenses	0.26	0.04
<b>Total</b>	<b>6.92</b>	<b>5.95</b>

#### (ii) Corporate Social Responsibility Expenses

	For the year ended 31st March, 2020 ₹ Lacs	For the year ended 31st March, 2019 ₹ Lacs
Contribution to Tata Power Community Development Trust	35.06	38.38
Expenses incurred by the Company	-	-
<b>Total</b>	<b>35.06</b>	<b>38.38</b>

Amount required to be spent as per section 135 of the Act	35.06	31.60
---	-------	-------

Amount spent during the year on:

(a) Construction/Acquisition of asset	-	-
(b) On purposes other than (a) above	35.06	38.38

## Notes to the Financial Statements

## 29. Income taxes

Accounting Policy**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.

**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 recognised 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 recognised 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.

(a) **Income taxes recognised in statement of profit and loss**

	31st March, 2020	31st March, 2019
	₹ Lacs	₹ Lacs
Current tax	552.73	680.37
In respect of the previous years	(24.53)	(73.58)
	<b>528.20</b>	<b>606.79</b>
Deferred tax	197.04	224.75
MAT credit of current year	(79.17)	(115.98)
MAT credit of earlier year	(1.16)	(158.73)
	<b>116.71</b>	<b>(49.96)</b>
<b>Total income tax expense recognised in the current year</b>	<b>644.91</b>	<b>556.83</b>

Clean Sustainable Solar Energy Private Limited

Notes to the Financial Statements

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

	31st March, 2020 ₹ Lacs	31st March, 2019 ₹ Lacs
Profit before tax	2,268.12	2,261.92
<b>Profit before tax considered for tax working</b>	<b>2,268.12</b>	<b>2,261.92</b>
Income tax expense calculated at 29.12% for FY 2019-20 and 29.12% for FY 2018-19	660.48	658.67
<b>Add/(Less) tax effect on account of :</b>		
Effect of movement of tax on which no deferred tax was recognised	-	119.31
Effect of expenses that are not deductible in determining taxable profit	10.21	11.18
	<b>670.69</b>	<b>789.16</b>
Other Items (including true up impact basis income tax returns)	(25.78)	(232.33)
<b>Income tax expense recognised in statement of profit and loss account</b>	<b>644.91</b>	<b>556.83</b>
Tax expense	644.91	556.83
<b>Income tax expense recognised in statement of profit and loss</b>	<b>644.91</b>	<b>556.83</b>

Notes:

- a. The tax rates used for the years 2019-20 and 2018-19 reconciliation above is the corporate tax rate of 29.12% as payable by corporate entities in India on taxable profits under the Indian tax law.
- b. The Company had paid taxes based on the higher of the Income Tax profit of the Company or MAT at 21.55% of book profit for the year 2018-19.
- c. The Minimum Alternate Tax (MAT) rate applicable is 17.47% and 21.55% of the book profit for the year 2019-20 and 2018-19.
- d. The Company continues to pay income tax under the old tax regime and have not opted for lower tax rate pursuant to the Taxation Law (Amendment) Ordinance, 2019 (since replaced by the Taxation Laws (Amendment) Act, 2019) considering the accumulated MAT credit, losses and 80-IA benefits under the Income Tax Act, 1961. The Company plans not to opt for lower tax regime in foreseeable future and therefore, there is no impact on current/ deferred tax for the period.

## Clean Sustainable Solar Energy Private Limited

### Notes to the Consolidated Financial Statements

#### 30. Earnings Per Share

##### Accounting Policy

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.

	<b>For the year ended 31st March, 2020</b>	<b>For the year ended 31st March, 2019</b>
	<b>₹ Lacs</b>	<b>₹ Lacs</b>
<b>Earnings Per Share</b>		
Profit for the year attributable to owners of the company	1,623.60	1,705.09
<b>Weighted average no. of equity shares for Basic and Diluted EPS</b>	10,000	10,000
<b>Earnings Per Share</b>		
- <b>Basic and Diluted (In ₹)</b>	16,236.00	17,050.90

**Clean Sustainable Solar Energy Private Limited**  
**Notes to the Financial Statements**

**31. Related Party Disclosures:**

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

**Names of the related parties and description of relationship:**

**(a) Related parties where control exists:**

- (i) Ultimate Holding Company  
The Tata Power Company Limited ( TPCL)
- (ii) Intermediate Holding Company  
Tata Power Renewable Energy Limited ( TPREL)
- (iii) Holding Company  
Walwhan Renewable Energy Limited ( WREL)

**(b) Subsidiaries of Promoter Group (where transactions have taken place)**

- (i) Tata AIG General Insurance Company Limited

**(c) Key Management Personnel and directors**

- 1 Nandakumar Tirumalai - upto May 24, 2018
- 2 Jayant Kumar - upto June 27, 2018
- 3 Anant Hanamshet - upto June 25, 2018
- 4 Zarir Panthaky
- 5 Satish Bhat - w.e.f. June 26, 2018
- 6 Mahesh Paranjpe - upto June 27, 2018
- 7 Rajiv Samant - w.e.f. June 26, 2018
- 9 Sanjay Bhandarkar - w.e.f. June 26, 2018
- 10 Gautam Attravanam - w.e.f. November 28, 2018

**(d) Details of Transactions and balance outstanding:**

S.No.	Particulars	Year ended	Subsidiaries of	Holding Company	Ultimate Holding	Key Management Personnel			Total
			Promoter Group Tata AIG General Insurance Company Limited	Walwhan Renewable Energy Limited	The Tata Power Company Limited	Zarir Nowroz Panthaky	Anant Hanamshet	Sanjay Vijay Bhandarkar	
<b>Details of Transactions</b>									
1	<b>Business Support expenses</b>								
		2020	-	7.96	-	-	-	-	7.96
		2019	-	7.71	-	-	-	-	7.71
2	<b>Current borrowings taken</b>								
		2020	-	1,802.50	-	-	-	-	1,802.50
		2019	-	1,123.00	-	-	-	-	1,123.00
3	<b>Repayment of Current borrowings</b>								
		2020	-	961.00	-	-	-	-	961.00
		2019	-	3,053.00	-	-	-	-	3,053.00
4	<b>Current loan given</b>								
		2020	-	3,638.00	-	-	-	-	3,638.00
		2019	-	-	-	-	-	-	-
5	<b>Current loan received back</b>								
		2020	-	114.00	-	-	-	-	114.00
		2019	-	-	-	-	-	-	-
6	<b>Interest income</b>								
		2019	-	43.06	-	-	-	-	43.06
		2018	-	-	-	-	-	-	-
7	<b>Interest Expense</b>								
		2020	-	1,533.19	-	-	-	-	1,533.19
		2019	-	1,613.56	-	-	-	-	1,613.56
8	<b>Director sitting fees</b>								
		2020	-	-	-	1.77	-	1.74	3.52
		2019	-	-	-	2.37	0.57	1.70	4.64
9	<b>Purchase of goods &amp; services</b>								
		2020	10.70	-	2.42	-	-	-	13.12
		2019	9.28	-	2.05	-	-	-	11.33
<b>Balances outstanding</b>									
1	<b>Non-current borrowings</b>								
		2020	-	14,839.00	-	-	-	-	14,839.00
		2019	-	14,839.00	-	-	-	-	14,839.00
2	<b>Current borrowings</b>								
		2020	-	1,761.50	-	-	-	-	1,761.50
		2019	-	920.00	-	-	-	-	920.00
3	<b>Interest accrued but not due on loan taken</b>								
		2020	-	1,379.47	-	-	-	-	1,379.47
		2019	-	1,365.62	-	-	-	-	1,365.62
4	<b>Loan Given</b>								
		2019	-	3,524.00	-	-	-	-	3,524.00
		2018	-	-	-	-	-	-	-
5	<b>Interest accrued but not due on loan given</b>								
		2019	-	38.75	-	-	-	-	38.75
		2018	-	-	-	-	-	-	-
6	<b>Other Current Financial Liabilities- Trade Payables</b>								
		2020	-	0.00	1.77	-	-	-	1.77
		2019	-	9.55	1.71	-	-	-	11.26

Clean Sustainable Solar Energy Private Limited

Notes to the Financial Statements

32. Financial Instruments

32.1 Fair values

Set out below, is a comparison by class of the carrying amount and fair value of the financial instruments:

	Carrying value		Fair Value	
	31st March, 2020	31st March, 2019	31st March, 2020	31st March, 2019
	₹ Lacs	₹ Lacs	₹ Lacs	₹ Lacs
<b>Financial assets</b>				
Cash and Cash Equivalents *	5.99	3.94	5.99	3.94
Trade Receivables*	697.59	1,074.14	697.59	1,074.14
Unbilled Revenues*	457.26	462.71	457.26	462.71
Loans *	3,568.68	31.90	3,568.68	31.90
FVTPL Financial Investments	11.06	401.65	11.06	401.65
Other Financial Assets*	20,150.03	20,245.67	20,150.03	20,245.67
<b>Total</b>	<b>24,890.61</b>	<b>22,220.01</b>	<b>24,890.61</b>	<b>22,220.01</b>
<b>Financial liabilities</b>				
Trade Payables*	177.33	164.32	177.33	164.32
Fixed rate Borrowings (including Current Maturities)*	16,600.50	15,759.00	16,600.50	15,759.00
Other Financial Liabilities*	1,523.83	1,493.14	1,523.83	1,493.14
	<b>18,301.66</b>	<b>17,416.46</b>	<b>18,301.66</b>	<b>17,416.46</b>

\* At Amortised cost

Notes: The management assessed that cash and cash equivalents, other balances with bank, trade receivables, loans, finance lease 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 method and assumption was used to estimate the fair values :-

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

32.2 Fair value hierarchy

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

Level 1 Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities. This comprises of mutual funds that have quoted price.

Level 2 Inputs are other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices). This includes derivative financial instruments and unquoted borrowings (fixed and floating rate)

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. This includes unquoted equity shares.

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 31st March, 2020			
		Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
		₹ Lacs	₹ Lacs	₹ Lacs	₹ Lacs
<b>Asset measured at fair value</b>					
Receivable from Service Concession arrangement	31st March, 2020	-	20111.28	-	20,111.28
FVTPL Financial Investments	31st March, 2020	11.06	-	-	11.06
Other Financial Assets	31st March, 2020	-	44.28	-	44.28
		<b>11.06</b>	<b>20,155.56</b>	<b>-</b>	<b>20,166.62</b>
<b>Liabilities for which fair values are disclosed</b>					
Fixed rate Borrowings	31st March, 2020	-	16,600.50	-	16,600.50
<b>Total</b>		<b>-</b>	<b>16,600.50</b>	<b>-</b>	<b>16,600.50</b>

Clean Sustainable Solar Energy Private Limited  
Notes to the Financial Statements

32. Financial Instruments (Cont.)

	Date of valuation	Fair value hierarchy as at 31st March, 2019			
		Quoted prices in active markets (Level 1) ₹ Lacs	Significant observable inputs (Level 2) ₹ Lacs	Significant unobservable inputs (Level 3) ₹ Lacs	Total ₹ Lacs
<b>Asset measured at fair value</b>					
Receivable from Service Concession arrangement	31st March, 2019	-	20,245.67	-	20,245.67
FVTPL Financial Investments	31st March, 2019	401.65	-	-	401.65
Other Financial Assets	31st March, 2019	-	31.90	-	31.90
		<b>401.65</b>	<b>20,277.57</b>	<b>-</b>	<b>20,679.22</b>
<b>Liabilities for which fair values are disclosed</b>					
Fixed rate Borrowings	31st March, 2019	-	15,759.00	-	15,759.00
<b>Total</b>		<b>-</b>	<b>15,759.00</b>	<b>-</b>	<b>15,759.00</b>

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

Notes:

**Borrowing:** Long-term fixed-rate and floating-rate borrowings (including current maturities) are evaluated by the Company based on parameters such as interest rates, specific country risk factors, credit risk and the risk characteristics of the financed project. The fair value is determined using the discounted cash flow method. The future cash flows are based on terms of the borrowing. These cash flows are discounted at a rate that reflects current market rate and the current credit risk.

## Clean Sustainable Solar Energy Private Limited

### Notes to the Financial Statements

#### 32.3 Capital Management & Gearing Ratio

For the purpose of the Company 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.

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 period was as follows:

	₹ Lacs	
	31st March, 2020	31st March, 2019
Debt (i)	18,124.33	17,252.14
Less: Cash and Bank balances	5.99	3.94
<b>Net debt</b>	<b>18,118.34</b>	<b>17,248.20</b>
Total Capital (ii)	6,661.23	5,037.63
<b>Capital and net debt</b>	<b>24,779.57</b>	<b>22,285.83</b>
Net debt to Total Capital plus net debt ratio (%)	73.12	77.40

(i) Debt is defined as long-term borrowings (including current maturities) and short-term borrowings.

(ii) Equity is defined as Equity share capital and other equity including reserves and surplus.

#### 32.4 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 loans, trade and other receivables, cash and cash equivalents, unbilled receivables, receivables under service concession arrangement 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.

##### 32.4.1 Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises of three types of risk: currency risk, interest rate risk and equity price risk. The equity price risk and currency risk are not applicable for the company.

**Clean Sustainable Solar Energy Private Limited**  
**Notes to the Financial Statements**

**32.4.1.1 Interest rate risk management**

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

**32.4.2 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/receivables under service concession arrangement). The Company generally deals with parties which has good credit rating/ worthiness or based on Company's internal assessment as listed below:

	₹ Lacs	
	31st March, 2020	31st March, 2019
Trade Receivables	697.59	1,074.14
Loans	3,568.68	31.90
Other Financial Assets	20,150.03	20,245.67
Unbilled Revenue	457.26	462.71
<b>Total</b>	<b>24,873.56</b>	<b>21,814.42</b>

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

The Company has not acquired any credit impaired asset. There was no modification in any financial assets.

b) Loans are given to related party for short term purposes. Accordingly, no credit risk has been envisaged.

c) Other Financial assets include receivables of Rs.20,150.03 Lacs (previous year :Rs.20,245.67 Lacs) under service concession agreements which is also recoverable from Discom and the company believes exposure to credit risk to be minimal. Balance amount in other financial assets pertains to security deposits where the credit risk is envisaged to be minimal.

The Company has not acquired any credit impaired asset. There was no modification in any financial assets.

**32.4.3 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's financial liabilities based on contractual undiscounted payments.

	₹ Lacs				
	Up to 1 year	1 to 5 years	5+ years	Total	Carrying Value
<b>31st March, 2020</b>					
<b>Non-Derivatives</b>					
Borrowings	1,761.50	-	14,839.00	16,600.50	16,600.50
Future Interest	1,504.12	5,939.67	2,963.73	10,407.52	-
Trade Payables	177.33	-	-	177.33	177.33
Other Financial Liabilities	1,523.83	-	-	1,523.83	1,523.83
<b>Total Non-Derivative Liabilities</b>	<b>4,966.78</b>	<b>5,939.67</b>	<b>17,802.73</b>	<b>28,709.18</b>	<b>18,301.66</b>
<b>31st March, 2019</b>					
<b>Non-Derivatives</b>					
Borrowings	64.77	-	14,839.00	14,903.77	14,903.77
Future Interest on above borrowings	1,488.87	7,419.50	2,967.80	11,876.17	-
Trade Payables	164.32	-	-	164.32	164.32
Other Financial Liabilities	157.22	-	-	157.22	157.22
<b>Total Non-Derivative Liabilities</b>	<b>1,875.18</b>	<b>7,419.50</b>	<b>17,806.80</b>	<b>27,101.48</b>	<b>15,225.31</b>

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.

## Clean Sustainable Solar Energy Private Limited

### Notes to the Financial Statements

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

Particulars	31 March, 2020 ₹ Lacs	31 March, 2019 ₹ Lacs
(a) Principal amount remaining unpaid as on 31st March	-	-
(b) Interest due thereon as on 31st March @	-	-
(c) The amount of Interest paid along with the amounts of the payment made to the supplier beyond the appointed day @	-	-
(d) The amount of Interest due and payable for the year @	-	-
(e) The amount of Interest accrued and remaining unpaid as at 31st March @	-	-
(f) The amount of further interest due and payable even in the succeeding years, until such date when the interest dues as above are actually paid @	-	-

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

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

### 34. Capital Commitments

Particular	As at	As at
	March 31, 2020	March 31, 2019
Estimated amount of contracts remaining to be executed on capital account and not provided for	9.99	0.85
<b>Total</b>	<b>9.99</b>	<b>0.85</b>

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 proposed Social Security Code, 2019, when promulgated, would subsume labour laws including Employees' Provident Funds and Miscellaneous Provisions Act and amend the definition of wages on which the organisation and its employees are to contribute towards Provident Fund. The Company believes that there will be no significant impact on its contributions to Provident Fund due to the proposed amendments. There were many interpretative issues relating to the Supreme Court (SC) judgement dated 28th February, 2019 on Provident Fund (PF) as regards definition of PF wages and inclusion of certain allowances for the purpose of PF contribution, as well as effective date of its applicability. Having consulted and evaluated impact on its financial statement, the company has implemented the changes as per clarifications vide the Apex Court judgement dated 28 February 2019, with effect from 1st March 2019 i.e., immediate after pronouncement of the judgement, as part of statutory compliance. The company will evaluate its position and act, in case there is any other interpretation of the same issued in future either in form of Social Security Code or by authorities concerned under the Employees' Provident Funds and Miscellaneous Provisions Act.

### 36. 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. All non-current assets of the company are located in India.

The company is having all its revenue from sale of power to single customer located in India.

37. India and other global markets experienced significant disruption in operations resulting from uncertainty caused by the worldwide coronavirus pandemic. Considering that the entity is in the business of essential services, management believes that there is not much of an impact likely due to this pandemic including the utilization of installed capacity. However, the Company is closely monitoring developments, its operations, liquidity and capital resources and is actively working to minimize the impact of this unprecedented situation.

### 38. 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.

**Clean Sustainable Solar Energy Private Limited**

**Notes to the Financial Statements**

**39. Approval of Financial Statements**

The financial statements were approved for issue by the Board of Directors on 28th April, 2020.

---

As per our report of even date.

For and on behalf of the Board of Directors,

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

Satish Bhat  
Director  
DIN 07598210

Gautam Attravanam  
Director  
DIN 08284326

per Vishal Bansal  
Partner  
Membership No. 097546

Mumbai, 28th April 2020

Mumbai, 28th April 2020