

## INDEPENDENT AUDITOR'S REPORT

To the Members of Walwhan Solar TN Limited

Report on the Audit of the Ind AS Financial Statements

### Opinion

We have audited the accompanying Ind AS financial statements of Walwhan Solar TN Limited (Formerly known as Walwhan Solar TN Private Limited and Welspun Solar Tech 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 Directors' 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.

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- 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;

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- (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 has disclosed the impact of pending litigations on its financial position in its Ind AS financial statements - Refer Note 35 to the Ind AS financial statements;
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For S R B C & CO LLP

Chartered Accountants

ICAI Firm Registration Number: 324982E/E300003

per Vishal Bansal

Partner

Membership Number: 097546

Place of Signature: Mumbai

Date: April 27, 2020

UDIN: 20097546AAAABO2781

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

Re: Walwhan Solar TN 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, the title deeds of immovable properties included in property, plant and equipment/ fixed assets are held in the name of the company.
- (ii) The management has conducted physical verification of inventory at reasonable intervals during the year and no material discrepancies were noticed on such physical verification. There was no inventory lying with third parties.
- (iii) (a) The Company has granted loans to two companies 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 two companies 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 and, 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 sales-tax, employees' state insurance, 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 except as follows:

Name of the Statute	Nature of the Dues	Amount	Period to which the amount relates	Due Date	Date of Payment
		(Rs.)			
Tamil Nadu Municipal Laws Second Amendment Act 59 of 1998	Profession Tax	8,550	FY 2018-19	15-04-2019	Not Paid

The provisions of sales-tax, employees' state insurance, 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 sales-tax, employees' state insurance, service tax, duty of custom, duty of excise, value added tax and cess are not applicable to the Company.
- (viii) In our opinion and according to the information and explanations given by the management, the Company has not defaulted in repayment of loans or borrowing to a financial institution, bank or government or dues to debenture holders.
- (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.

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- (xii) In our opinion, the Company is not a Nidhi company. Therefore, the provisions of clause 3(xii) of the order are not applicable to the Company and hence not commented upon.
- (xiii) According to the information and explanations given by the management, transactions with the related parties are in compliance with section 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards. The provisions of sec 177 are not applicable to the company and accordingly reporting under clause 3(xiii) insofar as it relates to section 177 of the Act is not applicable to the Company and hence not commented upon.
- (xiv) According to the information and explanations given to us and on an overall examination of the balance sheet, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence, reporting requirements under clause 3(xiv) are not applicable to the company and, not commented upon.
- (xv) According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in section 192 of Companies Act, 2013.
- (xvi) According to the information and explanations given to us, we report that the Company has registered as required, under section 45-IA of the Reserve Bank of India Act, 1934.

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 27, 2020

UDIN: 20097546AAAABO2781

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## ANNEXURE II TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF WALWHAN SOLAR TN LIMITED

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

We have audited the internal financial controls over financial reporting of Walwhan Solar TN Limited (Formerly known as Walwhan Solar TN Private Limited and Welspun Solar Tech 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.

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## 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 27, 2020

**Walwhan Solar TN Limited**  
**(Formerly known as Walwhan Solar TN Private Limited)**  
**(Formerly known as Welspun Solar Tech 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	60,117.40	62,707.40
(b) Capital Work-in-Progress		-	0.17
(c) Other Intangible Assets	7	27.66	31.22
(d) Financial Assets			
(i) Loans	9	0.10	0.10
(e) Non-current Tax Assets (Net)	13	116.70	116.70
(f) Deferred Tax Assets (Net)	14	456.23	702.39
<b>Total Non-current Assets</b>		<b>60,718.09</b>	<b>63,557.98</b>
<b>Current Assets</b>			
(a) Inventories	10	81.50	99.60
(b) Financial Assets			
(i) Investments	8	27.57	50.04
(ii) Trade Receivables	11	22,974.09	12,280.52
(iii) Unbilled Revenue		1,265.38	1,323.63
(iv) Cash and Cash Equivalents	16	7,245.47	2.79
(v) Loans	9	762.00	480.00
(vi) Other Financial Assets	12	364.09	1.32
(c) Other Current Assets	15	1.67	1.67
<b>Total Current Assets</b>		<b>32,721.77</b>	<b>14,239.57</b>
<b>TOTAL ASSETS</b>		<b>93,439.86</b>	<b>77,797.55</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
(a) Equity Share Capital	17	5,000.00	5,000.00
(b) Other Equity	18	18,029.84	14,751.96
<b>Total Equity</b>		<b>23,029.84</b>	<b>19,751.96</b>
<b>LIABILITIES</b>			
<b>Non-current Liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	19	21,704.51	50,399.99
<b>Total Non-current Liabilities</b>		<b>21,704.51</b>	<b>50,399.99</b>
<b>Current Liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	23	45,326.45	2,738.00
(ii) Trade Payables			
(a) Total outstanding dues of micro enterprises and small enterprises (Refer note 32)		27.17	47.11
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises		306.83	236.39
(iii) Other Financial Liabilities	20	2,487.90	4,152.55
(b) Current Tax Liabilities (Net)	21	274.20	117.01
(c) Other Current Liabilities	22	282.96	354.54
<b>Total Current Liabilities</b>		<b>48,705.51</b>	<b>7,645.61</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>93,439.86</b>	<b>77,797.55</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

Ashish Khanna  
Director  
DIN 06699527

Soundararajan Kasturi  
Director  
DIN 03481637

per Vishal Bansal  
Partner  
Membership No. 097546

Mahesh Paranjpe      Behram Mehta      Santosh C.R.  
Chief Executive Officer      Chief Financial Officer      Company Secretary

Mumbai, 27th April, 2020

Mumbai, 27th April, 2020

**Walwhan Solar TN Limited**  
(Formerly known as Walwhan Solar TN Private Limited)  
(Formerly known as Welspun Solar Tech 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	12,727.82	13,442.61
II Other Income	25	44.19	38.04
III <b>Total Income</b>		<b>12,772.01</b>	<b>13,480.65</b>
IV <b>Expenses</b>			
Finance Costs	26	4,904.10	5,201.30
Depreciation and Amortisation Expenses	7	2,638.32	2,633.92
Other Expenses	27	534.55	444.08
<b>Total Expenses</b>		<b>8,076.97</b>	<b>8,279.30</b>
V <b>Profit Before Tax</b>		<b>4,695.04</b>	<b>5,201.35</b>
VI <b>Tax Expense</b>	28		
Current Tax		1,171.00	1,553.60
Deferred Tax		246.16	50.55
		<b>1,417.16</b>	<b>1,604.15</b>
VII <b>Profit after tax for the year</b>		<b>3,277.88</b>	<b>3,597.20</b>
VIII <b>Other Comprehensive Income/(Expenses)</b>			
Add/(Less):			
(i) Items that will not be reclassified to profit or loss			
(a) Remeasurement of the Defined Benefit Plans		-	-
		-	-
IX <b>Total Comprehensive Income for the Year (VII + VIII)</b>		<b>3,277.88</b>	<b>3,597.20</b>
X <b>Basic and Diluted Earnings Per Equity Share (of ₹ 10/- each) (₹)</b>	29		
(i) Basic (in INR)		6.56	7.19
(ii) Diluted (in INR)		6.56	7.19

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

Ashish Khanna  
Director  
DIN 06699527

Soundararajan Kasturi  
Director  
DIN 03481637

per Vishal Bansal  
Partner  
Membership No. 097546

Mahesh Paranjpe      Behram Mehta      Santosh C.R.  
Chief Executive Officer      Chief Financial Officer      Company Secretary

Mumbai, 27th April, 2020

Mumbai, 27th April, 2020

Walwhan Solar TN Limited  
(Formerly known as Walwhan Solar TN Private Limited)  
(Formerly known as Welspun Solar Tech Private Limited)

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

	₹ Lacs	
	For the period ended 31st March, 2020	For the year ended 31st March, 2019
<b>A. Cash Flow from Operating Activities</b>		
Profit before tax	4,695.04	5,201.35
<b>Adjustments to reconcile Profit Before Tax to Net Cash Flows:</b>		
Depreciation and Amortisation Expense	2,638.32	2,633.92
Liability no longer required written back	(0.54)	-
Finance Cost	4,904.10	5,201.30
Interest Income	(29.16)	(4.36)
Interest Income on income tax refund	-	(4.48)
Gain on Sale/Fair Value of Current Investments measured at FVTPL	(15.03)	(29.20)
	<u>7,497.69</u>	<u>(29.20)</u>
<b>Working Capital Adjustments:</b>		
<b>Adjustments for (increase)/decrease in Operating Assets:</b>		
Inventories	18.10	(3.98)
Trade Receivables	(10,693.57)	(4,265.17)
Unbilled Revenue	58.25	(481.82)
Other Current Assets	-	(0.35)
Other Financial Assets - Current	(338.56)	-
<b>Movement in Operating Asset</b>	<u>(10,955.78)</u>	<u>(4,751.32)</u>
<b>Adjustments for increase/(decrease) in Operating Liabilities:</b>		
Trade Payables	51.04	87.40
Other Current Liabilities	(71.58)	183.47
Other Financial Liabilities - Current	-	-
<b>Movement in Operating Liability</b>	<u>(20.54)</u>	<u>270.87</u>
<b>Cash Flow from Operations</b>	<u>1,216.41</u>	<u>8,518.08</u>
Income-tax Paid	(1,013.81)	(1,436.46)
<b>Net Cash Flow from Operating Activities</b>	<u>202.60</u>	<u>7,081.62</u>
<b>B. Cash Flow from Investing Activities</b>		
Capital expenditure on Property, Plant and Equipment (including capital advances)	(44.60)	(149.12)
Interest income on income tax refund	-	4.48
Purchase of Current Investments	(5,300.00)	(6,017.00)
Proceeds from sale of Current Investments	5,337.51	6,071.88
Inter-corporate Deposits :		
- Given	(766.00)	(14,460.00)
- Repaid	484.00	13,980.00
Interest Received - Related party loans	4.95	3.04
<b>Net Cash Flow used in Investing Activities</b>	<u>(284.14)</u>	<u>(566.72)</u>
<b>C. Cash Flow from Financing Activities</b>		
Proceeds from Non-current borrowings - Bank	-	30,000.00
Repayment of Non-current borrowings - Bank	(30,000.00)	-
Repayment of Non-current borrowings - Related party	-	(33,570.00)
Proceeds from Current borrowings - Bank	12,655.53	-
Proceeds from Current borrowings - Related party	52,473.92	32,913.00
Repayment of Current borrowings - Related party	(22,541.00)	(30,175.00)
Finance Cost Paid	(5,264.23)	(3,455.31)
Dividend Paid	-	(2,200.00)
Dividend distribution tax paid	-	(452.22)
<b>Net Cash Flow from/(used in) Financing Activities</b>	<u>7,324.22</u>	<u>(6,939.53)</u>
<b>Net Increase in Cash and Cash Equivalents</b>	<u>7,242.68</u>	<u>(424.63)</u>
<b>Cash and Cash Equivalents as at 1st April (Opening Balance)</b>	<u>2.79</u>	<u>427.42</u>
<b>Cash and Cash Equivalents as at 31st March (Closing Balance)</b>	<u>7,245.47</u>	<u>2.79</u>
<b>Breakup of Cash and Cash Equivalents as at 1st April</b>		
(i) Balances with Banks:		
In Current Accounts	2.79	427.42
In Deposit Accounts (with original maturity less than three months)	-	-
	<u>2.79</u>	<u>427.42</u>
<b>Breakup of Cash and Cash Equivalents as at 31st March</b>		
(i) Balances with Banks:		
In Current Accounts	7,245.47	2.79
In Deposit Accounts (with original maturity less than three months)	-	-
Loans repayable on demand from banks	-	-
	<u>7,245.47</u>	<u>2.79</u>

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

Ashish Khanna                      Sundararajan Kasturi  
Director                                  Director  
DIN 06699527                      DIN 03481637

per Vishal Bansal  
Partner  
Membership No. 097546

Mahesh Paranjpe      Behram Mehta      Santosh C.R.  
Chief Executive Officer      Chief Financial Officer      Company Secretary

Mumbai, 27th April, 2020

Mumbai, 27th April, 2020

**Walwhan Solar TN Limited**  
**(Formerly known as Walwhan Solar TN Private Limited)**  
**(Formerly known as Welspun Solar Tech Private Limited)**  
**Statement of Changes in Equity**

**A. Equity Share Capital**

**₹ Lacs**

	<b>No. of Shares</b>	<b>Amount</b>
<b>Balance as at 1st April, 2018</b>	5,00,00,000	5,000.00
Issued during the year	-	-
<b>Balance as at 31st March, 2019</b>	5,00,00,000	5,000.00
<b>Balance as at 1st April, 2019</b>	5,00,00,000	5,000.00
Issued during the year	-	-
<b>Balance as at 31st March, 2020</b>	5,00,00,000	5,000.00

**B. Other Equity**

<b>Description</b>	<b>Reserves and Surplus</b>		<b>Total</b>
	<b>Retained Earnings</b>	<b>Equity component of interest free related party loans</b>	
<b>Balance as at 1st April, 2018</b>	2,865.72	10,941.26	13,806.97
Profit for the year	3,597.20	-	3,597.20
<b>Total Comprehensive Income</b>	<b>3,597.20</b>	<b>-</b>	<b>3,597.20</b>
Dividend paid (including tax on dividend)	2,652.22	-	2,652.22
<b>Balance as at 31st March, 2019</b>	<b>9,115.14</b>	<b>10,941.26</b>	<b>20,056.39</b>
<b>Balance as at 1st April, 2019</b>	9,115.14	10,941.26	20,056.40
Profit for the year	3,277.88	-	3,277.88
<b>Total Comprehensive Income</b>	<b>3,277.88</b>	<b>-</b>	<b>3,277.88</b>
<b>Balance as at 31st March, 2020</b>	<b>12,393.02</b>	<b>10,941.26</b>	<b>23,334.28</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

Ashish Khanna  
Director  
DIN 06699527

Soundararajan Kasturi  
Director  
DIN 03481637

per Vishal Bansal  
Partner  
Membership No. 097546

Mahesh Paranjpe  
Chief Executive Officer

Behram Mehta  
Chief Financial Officer

Santosh C.R.  
Company Secretary

Mumbai, 27th April, 2020

Mumbai, 27th April, 2020

**Walwhan Solar TN Limited**  
**(Formerly known as Walwhan Solar TN Private Limited)**  
**(Formerly known as Welspun Solar Tech Private Limited)**

**Notes to the Financial Statements**

**1. Corporate Information:**

Walwhan Solar TN Limited (formerly known as "Walwhan Solar TN Private Limited" and "Welspun Solar Tech Private Limited") (the 'Company' or 'WSTNL') was incorporated on July 23, 2010 as a subsidiary company of Walwhan Renewable Energy Limited Limited (formerly known as "Walwhan Renewable Energy Private Limited" and "Welspun Renewables Energy Private Limited")

The Principal business of the Company is to sell the power generated from solar projects in Tamilnadu state. The Company has commissioned solar power plant 107 MW (DC) out of which 53.50 MW (DC) at Musiri Village, Tamilnadu on October 09, 2015, 36.38 MW (DC) at Ponnusangampatti village, Tamilnadu and 17.12 MW (DC) at Ponnusangampatti village, Tamilnadu on March 19, 2016.

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

The financial statements were authorised for issue in accordance with a resolution of the Directors on April 27, 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 (as amended) 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) 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 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.

**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 Company becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in the statement of profit and loss.

**3.4 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.

**Walwhan Solar TN Limited**  
**(Formerly known as Walwhan Solar TN Private Limited)**  
**(Formerly known as Welspun Solar Tech Private Limited)**

**Notes to the Financial Statements**

**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.

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 Company 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 component. 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 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.

**Walwhan Solar TN Limited**  
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**Notes to the Financial Statements**

**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.

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 28

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.

**Walwhan Solar TN Limited**  
**(Formerly known as Walwhan Solar TN Private Limited)**  
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**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 Ind AS 23. 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. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

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

Impairment losses of tangible and intangible assets are recognised in the statement of profit and loss.

Notes to the Financial Statements

6. Property, Plant and Equipment (Contd.)

₹ Lacs							
Description	Freehold Land	Buildings	Plant and Equipment	Furniture and Fixtures	Office Equipment	Vehicles	Total
<b>Cost</b>							
Balance as at 1st April, 2019	2,264.06	1,368.62	68,378.08	13.01	11.70	4.35	72,039.82
Additions	-	8.82	32.76	-	3.20	-	44.78
<b>Balance as at 31st March, 2020</b>	<b>2,264.06</b>	<b>1,377.44</b>	<b>68,410.84</b>	<b>13.01</b>	<b>14.90</b>	<b>4.35</b>	<b>72,084.60</b>
<b>Accumulated depreciation and impairment</b>							
Balance as at 1st April, 2019	-	167.22	9,150.12	4.69	8.97	1.44	9,332.44
Depreciation Expense	-	52.88	2,577.68	1.25	2.53	0.42	2,634.76
<b>Balance as at 31st March, 2020</b>	<b>-</b>	<b>220.10</b>	<b>11,727.80</b>	<b>5.94</b>	<b>11.50</b>	<b>1.86</b>	<b>11,967.20</b>
<b>Net carrying amount</b>							
<b>As at 31st March, 2020</b>	<b>2,264.06</b>	<b>1,157.34</b>	<b>56,683.04</b>	<b>7.07</b>	<b>3.40</b>	<b>2.49</b>	<b>60,117.40</b>
<b>As at 31st March, 2019</b>	<b>2,264.06</b>	<b>1,201.40</b>	<b>59,227.96</b>	<b>8.32</b>	<b>2.73</b>	<b>2.91</b>	<b>62,707.40</b>

₹ Lacs							
Description	Freehold Land	Buildings	Plant and Equipment	Furniture and Fixtures	Office Equipment	Vehicles	Total
<b>Cost</b>							
Balance as at 1st April, 2018	2264.06	1271.09	68312.61	12.7	11.7	4.35	71876.51
Additions	-	97.53	65.47	0.31	-	-	163.31
<b>Balance as at 31st March, 2019</b>	<b>2,264.06</b>	<b>1,368.62</b>	<b>68,378.08</b>	<b>13.01</b>	<b>11.70</b>	<b>4.35</b>	<b>72,039.84</b>
<b>Accumulated depreciation and impairment</b>							
Balance as at 1st April, 2018	-	117.25	6573.62	3.46	6.72	1.02	6,702.07
Depreciation Expense	-	49.97	2576.5	1.23	2.25	0.42	2,630.37
<b>Balance as at 31st March, 2019</b>	<b>-</b>	<b>167.22</b>	<b>9,150.12</b>	<b>4.69</b>	<b>8.97</b>	<b>1.44</b>	<b>9,332.44</b>
<b>Net carrying amount</b>							
<b>As at 31st March, 2019</b>	<b>2,264.06</b>	<b>1,201.40</b>	<b>59,227.96</b>	<b>8.32</b>	<b>2.73</b>	<b>2.91</b>	<b>62,707.40</b>
<b>As at 31st March, 2018</b>	<b>2,264.06</b>	<b>1,153.84</b>	<b>61,738.99</b>	<b>9.24</b>	<b>4.98</b>	<b>3.33</b>	<b>65,174.44</b>

Notes to the Financial Statements

7. Other Intangible Assets

**Accounting Policy**

**Intangible assets acquired separately**

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses if any.

**Derecognition of Intangible assets**

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in statement of profit and loss when the asset is derecognised.

**Useful lives of intangible assets**

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

Estimated useful lives of the intangible assets are as follows:

Type of asset	Useful lives
Computer Software	3 to 5 years

₹ Lacs

Description	Computer Software	Total
<b>Cost</b>		
Balance as at 1st April, 2019	35.40	35.40
Additions	-	-
Disposal	-	-
<b>Balance as at 31st March, 2020</b>	<b>35.40</b>	<b>35.40</b>
<b>Accumulated amortisation and impairment</b>		
Balance as at 1st April, 2019	4.18	4.18
Amortisation expense	3.56	3.56
<b>Balance as at 31st March, 2020</b>	<b>7.74</b>	<b>7.74</b>
<b>Net carrying amount</b>		
As at 31st March, 2020	<b>27.66</b>	<b>27.66</b>
As at 31st March, 2019	<b>31.22</b>	<b>31.22</b>

₹ Lacs

Description	Computer Software	Total
<b>Cost</b>		
Balance as at 1st April, 2018	35.40	35.40
Additions	-	-
<b>Balance as at 31st March, 2019</b>	<b>35.40</b>	<b>35.40</b>
<b>Accumulated amortisation and impairment</b>		
Balance as at 1st April, 2018	0.61	0.61
Amortisation expense	3.57	3.57
<b>Balance as at 31st March, 2019</b>	<b>4.18</b>	<b>4.18</b>
<b>Net carrying amount</b>		
As at 31st March, 2019	<b>31.22</b>	<b>31.22</b>
As at 31st March, 2018	<b>34.79</b>	<b>34.79</b>

**Depreciation/Amortisation:**

	For the year ended 31st March, 2020 ₹ Lacs	For the year ended 31st March, 2019 ₹ Lacs
Depreciation on Tangible Assets	2,634.76	2,630.37
Amortisation on Intangible Assets	3.56	3.57
<b>Total</b>	<b>2,638.32</b>	<b>2,633.94</b>

**Walwhan Solar TN Limited**  
**(Formerly known as Walwhan Solar TN Private Limited)**  
**(Formerly known as Welspun Solar Tech Private Limited)**

**Notes to the Financial Statements**

**8. Current Investments**

	As at 31st March, 2020 Quantity	As at 31st March, 2019 Quantity	As at 31st March, 2020 ₹ Lacs	As at 31st March, 2019 ₹ Lacs
<b>Investments carried at Fair Value through Profit and Loss</b>				
<b>Mutual Funds (quoted)</b>				
Tata Mutual Fund - Growth - Direct Plan	880.122	-	27.57	-
Invesco India Liquid fund- Direct plan growth - Growth	-	1,945.24	-	50.04
<b>Total</b>			<b>27.57</b>	<b>50.04</b>

*Note:*

- |   |       |       |
|---|-------|-------|
| 1. Aggregate Market Value of Quoted Investments     | 27.57 | 50.04 |
| 2. Aggregate Carrying Value of Quoted Investments   | 27.57 | 50.04 |
| 3. Aggregate Carrying Value of Unquoted Investments | -     | -     |

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**Walwhan Solar TN Limited**  
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**(Formerly known as Welspun Solar Tech Private Limited)**

**Notes to the Financial Statements**

**9. Loans**

(Unsecured unless otherwise stated)

	<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>Non-current</b>		
<b>(At Amortised Cost)</b>		
<b>(i) Security Deposits</b>		
Considered Good - Unsecured	0.10	0.10
Credit Impaired	1.13	-
	<u>1.23</u>	<u>0.10</u>
Less: Impairment Allowance for bad and doubtful deposits	1.13	-
	<u><b>0.10</b></u>	<u><b>0.10</b></u>
	<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>		
<b>(At Amortised Cost)</b>		
<b>(ii) Loans to Related Parties</b>		
Considered Good - Unsecured	762.00	480.00
	<u><b>762.00</b></u>	<u><b>480.00</b></u>

The Company has entered into Inter corporate deposit with Walwhan Renewable Energy Limited for a period of 90 days. The inter corporate deposit is unsecured.

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

Repayment terms - Principal is payable at the end of 90 days along with interest.

**Walwhan Solar TN Limited**  
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**Notes to the Financial Statements**

**10. 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	81.20	99.60
<b>(b) Loose Tools</b>	0.30	-
	<b>81.50</b>	<b>99.60</b>

**Walwhan Solar TN Limited**  
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**Notes to the Financial Statements**

**11. Trade Receivables**

(Unsecured unless otherwise stated)

	<b>As at 31st March, 2020 ₹ Lacs</b>	<b>As at 31st March, 2019 ₹ Lacs</b>
Trade Receivables [Refer note 11.1]	22,974.09	12,280.52
	<b>22,974.09</b>	<b>12,280.52</b>
<b>Break-up for security details</b>		
Trade receivables		
Unsecured, considered good	22,974.09	12,280.52
	<b>22,974.09</b>	<b>12,280.52</b>
	<b>22,974.09</b>	<b>12,280.52</b>

**11.1 Trade Receivables**

**Age of receivables**

	<b>As at 31st March, 2020 ₹ Lacs</b>	<b>As at 31st March, 2019 ₹ Lacs</b>
Within the credit period	2,159.84	2,301.02
1-90 days past due	2,748.25	2,884.10
91-182 days past due	3,151.82	2,226.56
More than 182 days past due	14,914.18	4,868.84
	<b>22,974.09</b>	<b>12,280.52</b>

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

**11.2 Discounting Note:**

The carrying amounts of the trade receivables include receivables amounting to INR 12,655.53 Lacs (31st March 2019: Nil) from TANGEDCO, which are subject to a 'bill discounting arrangement'. Under this arrangement, the Company has transferred the relevant receivables to the banks in exchange of cash and is prevented from selling or pledging the receivables. The Cost of bill discounting is to the customer's account. However, the Company has retained late payment and credit risk. The Company therefore continues to recognise the transferred assets in their entirety in its financial statements. The amount repayable under the bills discounting arrangement is presented as unsecured borrowing having recourse to the Company and interest liability on amount of bill discounted is borne by the customer. The maturity period of the transfer is 6 months from the date of discounting.

**Walwhan Solar TN Limited**  
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**Notes to the Financial Statements**

**12. Other Financial Assets**

	<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>		
<b>(At Amortised Cost)</b>		
<b>(i) Accruals</b>		
Unsecured, considered good		
Interest Accrued on Bank Deposits	1.08	-
Interest Accrued on Loans to Related Parties	24.45	1.32
	<u>25.53</u>	<u>1.32</u>
<b>(ii) Others</b>		
Unsecured, considered good		
Other Advances	338.56	-
	<u>338.56</u>	<u>-</u>
	<u><b>364.09</b></u>	<u><b>1.32</b></u>

**13. Tax Assets**

	<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>Non-current Tax Assets</b>		
Advance Income-tax (Net)	116.70	116.70
	<u><b>116.70</b></u>	<u><b>116.70</b></u>

**Walwhan Solar TN Limited**  
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**Notes to the Financial Statements**

**14. Deferred Tax**  
(Refer Note 28)

**Deferred Tax Assets**

	As at 31st March, 2020 ₹ Lacs	As at 31st March, 2019 ₹ Lacs
Deferred Tax Assets	2,863.99	2,365.48
Deferred Tax Liabilities	2,407.76	1,663.09
<b>Total - Net Deferred Tax Assets</b>	<b>456.23</b>	<b>702.39</b>

2019-20	Opening Balance	Recognised in Profit or Loss	Closing Balance
<b>Deferred Tax Assets in relation to:</b>			
MAT Credit Entitlement	2,365.48	498.51	2,863.99
	<b>2,365.48</b>	<b>498.51</b>	<b>2,863.99</b>
<b>Deferred Tax Liabilities in relation to:</b>			
Property, Plant and Equipment	1,663.09	744.67	2,407.76
	<b>1,663.09</b>	<b>744.67</b>	<b>2,407.76</b>
<b>Net Deferred Tax Assets</b>	<b>702.39</b>	<b>(246.16)</b>	<b>456.23</b>
<b>2018-19</b>			
	Opening Balance	Recognised in Profit or Loss	Closing Balance
<b>Deferred Tax Assets in relation to:</b>			
MAT Credit Entitlement	1,624.03	741.45	2,365.48
	<b>1,624.03</b>	<b>741.45</b>	<b>2,365.48</b>
<b>Deferred Tax Liabilities in relation to:</b>			
Property, Plant and Equipment	871.09	792.00	1,663.09
Others	-	-	-
	<b>871.09</b>	<b>792.00</b>	<b>1,663.09</b>
<b>Net Deferred Tax Assets</b>	<b>752.94</b>	<b>(50.55)</b>	<b>702.39</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	246.16	50.55
<b>Deferred Tax Liabilities (Net)</b>		
Net increase/(decrease) in Deferred Tax Liabilities	-	-
<b>Deferred Tax Expense (Net)</b>	<b>246.16</b>	<b>50.55</b>

**Walwhan Solar TN Limited**  
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**(Formerly known as Welspun Solar Tech Private Limited)**

**Notes to the Financial Statements**

**15. Other Assets**

	<b>As at 31st March, 2020 ₹ Lacs</b>	<b>As at 31st March, 2019 ₹ Lacs</b>
<b>Current</b>		
<b>(i) Other Loans and Advances</b>		
Unsecured, considered good		
Advances to Vendors	1.24	1.67
Other Advances	0.43	-
Doubtful	3.05	3.05
	<u>4.72</u>	<u>4.72</u>
Less: Impairment Allowance for Bad and Doubtful Advances	<u>3.05</u>	<u>3.05</u>
	<u>1.67</u>	<u>1.67</u>
	<u><b>1.67</b></u>	<u><b>1.67</b></u>

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**Notes to the Financial Statements**

**16. 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	64.62	2.79
In Deposit Accounts (with original maturity less than three months)	7,180.85	-
<b>Cash and Cash Equivalents as per Balance Sheet</b>	<b>7,245.47</b>	<b>2.79</b>
<b>Cash and Cash Equivalents as per Statement of Cash Flows</b>	<b>7,245.47</b>	<b>2.79</b>

**Reconciliation of liabilities from Financing Activities**

Particulars	As at 1st April, 2019	Cash flows		Non-cash Transactions	₹ Lacs
		Proceeds	Repayment		As at 31st March, 2020
Non-current Borrowings (including Current Maturity of Non-current Borrowings)	51,359.99	-	(30,000.00)	344.52	21,704.51
Current Borrowings (excluding Bank Overdraft)	2,738.00	65,129.45	(22,541.00)	-	45,326.45
<b>Total</b>	<b>54,097.99</b>	<b>65,129.45</b>	<b>(52,541.00)</b>	<b>344.52</b>	<b>67,030.96</b>

Particulars	As at 1st April, 2018	Cash flows		Non-cash Transactions	₹ Lacs
		Proceeds	Repayment		As at 31st March, 2019
Non-current Borrowings (including Current Maturity of Non-current Borrowings)	54,839.76	30,000.00	(33,570.00)	90.23	51,359.99
Current Borrowings (excluding Bank Overdraft)	-	32,913.00	(30,175.00)	-	2,738.00
<b>Total</b>	<b>54,839.76</b>	<b>62,913.00</b>	<b>(63,745.00)</b>	<b>90.23</b>	<b>54,097.99</b>

**Notes to the Financial Statements**

**17. Share Capital**

	As at 31st March, 2020		As at 31st March, 2019	
	Number	₹ Lacs	Number	₹ Lacs
<b>Authorised</b>				
Equity Shares of ₹ 10/- each	14,00,00,000	14,000.00	14,00,00,000	14,000.00
		<u>14,000.00</u>		<u>14,000.00</u>
<b>Issued</b>				
Equity shares of ₹ 10 each	5,00,00,000	5,000.00	5,00,00,000	5,000.00
<b>Subscribed and Paid-up</b>				
Equity shares of ₹ 10 each	5,00,00,000	5,000.00	5,00,00,000	5,000.00
<b>Total Issued, Subscribed and fully Paid-up Share Capital</b>		<u>5,000.00</u>		<u>5,000.00</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	5,00,00,000	5,000.00	5,00,00,000	5,000.00
Issued during the year	-	-	-	-
Outstanding at the end of the year	5,00,00,000	5,000.00	5,00,00,000	5,000.00

**(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 dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

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 shareholders holding more than 5% shares in the Company**

	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 "WREL" "the holding company" including six shares are held by Nominee Shareholders on behalf of WREL	5,00,00,000	100.00	5,00,00,000	100.00

**(iv) Details of share held by the holding company**

	As at 31st March, 2020		As at 31st March, 2019	
	Number		Number	
<b>Equity Shares of ₹ 10/- each fully paid</b>				
Walwhan Renewable Energy Limited "WREL" "the holding company" including six shares are held by Nominee Shareholders on behalf of WREL		5,00,00,000		5,00,00,000

**Walwhan Solar TN Limited**  
**(Formerly known as Walwhan Solar TN Private Limited)**  
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**Notes to the Financial Statements**

**18. Other Equity**

	<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>Retained Earnings</b>		
Opening balance	3,810.70	2,865.72
Add: Profit for the year	3,277.88	3,597.20
Less: Payment of Dividend	-	(2,200.00)
Less: Tax on Dividend	-	(452.22)
	<u>3,277.88</u>	<u>944.98</u>
Closing Balance	<u>7,088.58</u>	<u>3,810.70</u>
<b>Equity Contribution- Interest free loan</b>		
Opening Balance	10,941.26	10941.26
Add: Addition during the year	-	-
Closing Balance	<u>10,941.26</u>	<u>10,941.26</u>
<b>Total</b>	<b><u>18,029.84</u></b>	<b><u>14,751.96</u></b>

**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.

**Walwhan Solar TN Limited**  
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**Notes to the Financial Statements**

**19. Non-current Borrowings**

	As at 31st March, 2020		As at 31st March, 2019	
	Non-current	Current	Non-current	Current
	Maturities*		Maturities*	
	₹ Lacs	₹ Lacs	₹ Lacs	₹ Lacs
<b>(i) Unsecured - At Amortised Cost</b>				
<b>Term Loans</b>				
Term Loans from Banks	-	-	28,924.22	960.00
Loans from Related Parties	21,704.51	-	21,475.77	-
	21,704.51	-	50,399.99	960.00
<b>Total</b>	<b>21,704.51</b>	<b>-</b>	<b>50,399.99</b>	<b>960.00</b>

\*Amount disclosed under Other Current Financial Liabilities (Refer Note 20)

**19.1 Security and terms of repayment**

**Loans from Related Parties - March 31, 2020**

Loan from related parties includes loan taken from Walwhan Renewable Energy Limited (Holding Company) for repayment of its term loan and buyers credit taken. Said loan is unsecured and carry interest @ 10% p.a. and is repayable as a bullet repayment at the end of 10 years from the date of disbursement of loan. As per agreement terms, the Company can prepay a part or entire amount of loan without any prepayment premium.

**Liability component of interest free related party loan**

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

**Term Loans from Banks - March 31, 2020**

During the year amount is fully repaid to IndusInd Bank.

**Term Loans from Banks - March 31, 2019**

**Details of security for term loan availed from IndusInd Bank**

Tata Power Renewable Energy Limited shall provide an irrevocable and unconditional corporate guarantee, guaranteeing repayment of the facility interest, default interest and all amounts payable under the financing documents.

<b>Terms of Repayment</b>	<b>Lacs</b>
<b>Particulars</b>	<b>Amount</b>
Amount Outstanding as at March 31, 2019	30,000.00
Less: Impact of recognition of borrowing at amortised cost using effective interest method under Ind AS	115.78
Net Balance appearing in financial statements	29,884.22
Repayable in FY 2019-20	960.00
Repayable in FY 2020-21	1,800.00
Repayable in FY 2021-22	1,800.00
Repayable in FY 2022-23	1,920.00
Repayable in FY 2023-24	1,920.00
Repayable in FY 2024-29	10,800.00
Repayable in FY 2029-30 onwards	10,800.00

**Walwhan Solar TN Limited**  
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**Notes to the Financial Statements**

**20. Other Financial Liabilities**

	<b>As at 31st March, 2020 ₹ Lacs</b>	<b>As at 31st March, 2019 ₹ Lacs</b>
<b>Current</b>		
<b>(At Amortised Cost)</b>		
(a) Current Maturities of Long-term Debt	-	960.00
(b) Interest accrued but not due on Borrowings-Related Party	2,454.47	3,159.11
(c) Other Payables		
Payables for Capital Supplies and Services	33.43	33.44
	<b>2,487.90</b>	<b>4,152.55</b>

**21. Tax Liabilities**

	<b>As at 31st March, 2020 ₹ Lacs</b>	<b>As at 31st March, 2019 ₹ Lacs</b>
<b>Current Tax Liabilities</b>		
Income-tax Payable	274.20	117.01
<b>Total</b>	<b>274.20</b>	<b>117.01</b>

**Walwhan Solar TN Limited**  
(Formerly known as Walwhan Solar TN Private Limited)  
(Formerly known as Welspun Solar Tech Private Limited)

**Notes to the Financial Statements**

**22. Other Liabilities**

	<b>As at 31st March, 2020 ₹ Lacs</b>	<b>As at 31st March, 2019 ₹ Lacs</b>
<b>Current</b>		
Statutory Liabilities	282.96	354.54
<b>Total</b>	<b>282.96</b>	<b>354.54</b>

**23. Current Borrowings**

	<b>As at 31st March, 2020 ₹ Lacs</b>	<b>As at 31st March, 2019 ₹ Lacs</b>
<b>(i) Unsecured - At Amortised Cost</b>		
<b>From Banks</b>		
(a) Short-term Loans	12,655.53	-
<b>From Others</b>		
(a) From Related Parties	32,670.92	2,738.00
<b>Total</b>	<b>45,326.45</b>	<b>2,738.00</b>

**Note:**

**23.1 Terms from banks**

The company had availed bill discounting facility of INR 12,655.53 Lacs which is unsecured and backed by Corporate Guarantee of The Tata Power Company Limited (Refer note 11.2). Applicable interest cost @ 9.00% p.a. is there out of which upto 8.50% recoverable/ recovered from Tamilnadu Generation and Distribution Corporation Limited upfront.

**23.2 Terms of loan from related parties**

The Company entered into Inter Corporate deposit with Walwhan Renewable Energy Limited for INR 32,572.92 Lacs and with Walwhan Solar BH Limited for INR 98 Lacs for a period of 90 days. The 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.

**Walwhan Solar TN Limited**  
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**Notes to the Financial Statements**

**24. Revenue from Operations**

**Revenue recognition**

**Accounting Policy**

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

**Sale of Power - Generation (Solar)**

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

**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
(a) <b>Sale of Electricity</b>	13,032.41	13,541.66
Less: Rebate/ Discount	(305.13)	(99.05)
	<u>12,727.28</u>	<u>13,442.61</u>
(b) <b>Other Operating Revenue</b>		
Miscellaneous Revenue and Sundry Credits	0.54	-
	<u>0.54</u>	<u>-</u>
	<u><b>12,727.82</b></u>	<u><b>13,442.61</b></u>

Details of Revenue from contract with customers

	For the year ended 31st March, 2020 ₹ Lacs	For the year ended 31st March, 2019 ₹ Lacs
Revenue from power supply (net of cash discount)	12,727.28	13,442.61
<b>Total revenue from contract with customers</b>	<b>12,727.28</b>	<b>13,442.61</b>
Add : Rebate/ Discount	305.13	99.05
<b>Total revenue as per contracted price</b>	<b>13,032.41</b>	<b>13,541.66</b>

Contract balances

	For the year ended 31st March, 2020 ₹ Lacs	For the year ended 31st March, 2019 ₹ Lacs
<b>Receivables</b>		
Trade receivables (Gross)	22,974.09	12,280.52
Unbilled revenue	1,265.38	1,323.63
Less : Allowances for doubtful trade receivable	-	-
<b>Net receivables</b>	<b>24,239.47</b>	<b>13,604.15</b>

The Company has entered into long term agreement for sale of power to Discom at a fixed rate per unit. The management has assessed and determined that amount invoiced / to be invoiced as the agreement reflects appropriate revenue for the period. Contract asset is the right to consideration in exchange for goods or services transferred to the customer. Contract liability is the entity's obligation to transfer goods or services to a customer for which the entity has received consideration from the customer in advance. Contract assets are transferred to unbilled revenue / receivables when the rights become unconditional and contract liabilities are recognized as and when the performance obligation is satisfied. The Company does not have any contract assets/liabilities at the reporting date.

**Disaggregation of Revenue**

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

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**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.

	<b>For the year ended 31st March, 2020 ₹ Lacs</b>	<b>For the year ended 31st March, 2019 ₹ Lacs</b>
<b>(a) Interest Income</b>		
<b>(i) Financial Assets held at Amortised Cost</b>		
Interest on Banks Deposits	1.15	-
Interest on Loans to related party	28.01	4.36
	<u>29.16</u>	<u>4.36</u>
<b>(b) Gain/(Loss) on Investments</b>		
Gain on Sale of Current Investment measured at FVTPL	15.03	29.20
	<u>15.03</u>	<u>29.20</u>
<b>(c) Other Non-operating Income</b>		
Other Income	-	4.48
	<u>-</u>	<u>4.48</u>
<b>Total</b>	<u><u>44.19</u></u>	<u><u>38.04</u></u>

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**26. 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.

	<b>For the year ended 31st March, 2020 ₹ Lacs</b>	<b>For the year ended 31st March, 2019 ₹ Lacs</b>
<b>(a) Interest Expense:</b>		
<b>On Borrowings (Carried at Amortised Cost)</b>		
Interest on Loans - Banks & Financial Institutions	1,771.80	1,049.18
Interest on borrowings from related parties	3,003.15	4,124.56
	<b>4,774.95</b>	<b>5,173.74</b>
<b>(b) Other Borrowing Cost:</b>		
Other Finance Costs	129.15	27.56
	<b>129.15</b>	<b>27.56</b>
	<b>4,904.10</b>	<b>5,201.30</b>

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**27. Other Expenses**

	<b>For the year ended 31st March, 2020 ₹ Lacs</b>	<b>For the year ended 31st March, 2019 ₹ Lacs</b>
Consumption of Stores, Oil, etc.	3.67	3.65
Repairs and Maintenance -		
(i) To Buildings and Civil Works	0.96	7.54
(ii) To Machinery and Hydraulic Works	108.91	56.91
	<b>109.87</b>	<b>64.45</b>
Rates and Taxes	42.72	44.51
Insurance	22.66	19.01
Other Operation Expenses	145.95	130.05
Travelling and Conveyance Expenses	10.65	10.30
Consultants' Fees	6.33	3.77
Auditors' Remuneration [Refer note (i) below]	6.92	5.96
Cost of Services Procured	103.40	107.46
Legal Charges	1.76	5.54
Corporate Social Responsibility Expenses [Refer note (ii) below]	75.25	45.14
Miscellaneous Expenses	5.37	4.24
<b>Total</b>	<b>534.55</b>	<b>444.08</b>

**(i) Payment to the auditors**

	<b>For the year ended 31st March, 2020 ₹ Lacs</b>	<b>For the year ended 31st March, 2019 ₹ Lacs</b>
As Auditors - Statutory Audit	2.07	2.07
For Taxation Matters-Tax Audit	1.53	1.18
For Other Services	3.01	2.64
Reimbursement of expenses	0.31	0.07
<b>Total</b>	<b>6.92</b>	<b>5.96</b>

**(ii) Corporate Social Responsibility Expenses**

	<b>For the year ended 31st March, 2020 ₹ Lacs</b>	<b>For the year ended 31st March, 2019 ₹ Lacs</b>
Contribution to Tata Power Community Development Trust	75.25	44.83
Expenses incurred by the Company	-	0.32
<b>Total</b>	<b>75.25</b>	<b>45.15</b>

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

	75.25	40.79
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Amount spent during the year on:

(a) Construction/Acquisition of asset	-	-
(b) On purposes other than (a) above	75.25	45.15

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**Notes to the Financial Statements**

**28. 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.

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 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.

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

	<b>31st March, 2020</b>	<b>31st March, 2019</b>
	<b>₹ Lacs</b>	<b>₹ Lacs</b>
Current tax	1,172.13	1,553.56
In respect of the previous years	(1.13)	0.04
Deferred tax	744.67	792.00
MAT credit entitlement	(573.52)	(741.45)
MAT credit in respect of earlier years	75.01	-
<b>Total income tax expense recognised in the current year</b>	<b>1,417.16</b>	<b>1,604.15</b>

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Notes to the Financial Statements

28. Income taxes

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	4,695.04	5,201.35
<b>Profit before tax considered for tax working</b>	<b>4,695.04</b>	<b>5,201.35</b>
Income tax expense calculated at % for FY 2019-20 and 29.12% for FY 2018-19	1,367.20	1,514.63
<b>Add/(Less) tax effect on account of :</b>		
Effect of movement of tax on which no deferred tax was recognised or adjustment arising in current year	(50.67)	-
Effect of expenses that are not deductible in determining taxable profit	21.91	13.15
	<b>1,338.44</b>	<b>1,527.78</b>
Other Items (including true up impact basis income tax returns)	78.72	76.37
<b>Income tax expense recognised in statement of profit and loss</b>	<b>1,417.16</b>	<b>1,604.15</b>
Tax expense	1,417.16	1,604.15
<b>Income tax expense recognised in statement of profit and loss</b>	<b>1,417.16</b>	<b>1,604.15</b>

Notes:

- 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.
- The Minimum Alternate Tax (MAT) rate applicable is 21.55% of the book profit for the year 2018-19.
- 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.

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**Notes to the Financial Statements**

**29. 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 ₹ Lacs</b>	<b>For the year ended 31st March, 2019 ₹ Lacs</b>
<b>Earnings Per Share</b>		
Profit for the year attributable to owners of the company	3,277.88	3,597.20
<b>Weighted average no. of equity shares for Basic and Diluted EPS</b>	5,00,00,000	5,00,00,000
<b>Earnings Per Share</b>		
- Basic and Diluted (In ₹)	6.56	7.19

**Walwhan Solar TN Limited**  
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**Notes to the financial statements**

**30. Related party transactions**

**A. Related parties where control exists:**

**(i) Holding companies**

The Tata Power Company Limited (Ultimate Holding Company)  
Tata Power Renewable Energy Limited (Intermediate Holding Company)  
Walwhan Renewable Energy Limited (Holding Company) (formerly known as Walwhan Renewable Energy Private Limited and Welspun Renewables Energy Private Limited)

**B. Other related parties (where transactions have taken place during the year or previous year / balances outstanding):**

**(i) Fellow subsidiary companies**

Af-Taab Investment Company Limited  
Tata Power Solar Systems Limited  
Walwhan Solar BH Limited (formerly known as Walwhan Solar BH Private Limited and Welspun Energy Jharkhand Private Limited)

**(ii) Subsidiaries of Promoter Group**

Tata AIG General Insurance Company Limited

**C. Directors**

Ashish Khanna  
Soundararajan Kasturi w.e.f. June 26, 2018  
Anjali Kulkarni w.e.f. June 26, 2018  
Diptivilasa Devanakonda upto -July 3, 2018  
Novel Lavasa- upto July 3, 2018  
Unni Gopalakrishnan - upto June 27, 2018  
Punnet Munjal - upto June 27, 2018  
Parminder Jassal - upto June 27, 2018

**D. Key Managerial Personnel (KMP's)**

Mahesh Paranjpe - Chief Executive Officer w.e.f. from September 28, 2018  
Rajesh Daga- Chief Financial Officer (CFO appointed on April 16, 2018 and CFO upto January 31, 2019)  
Behram Mehta- Chief Financial Officer w.e.f. March 06, 2019  
Santosh C.R - Company Secretary

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Notes to the Financial Statements  
Related Party Disclosures.....(Contd.)

**Details of Transactions:**

₹ Lacs

Particulars	Year	Subsidiaries of Promoter Group	Fellow Subsidiaries			Holding Company		Ultimate Holding Company	Key Management Personnel		
		Tata AIG General Insurance Company Limited	Tata Power Solar Systems Limited	Walwhan Solar BH Limited	Af-Taab Investment Company Limited	Tata Power Renewable Energy Limited	Walwhan Renewable Energy Limited	The Tata Power Company Limited	Novel Lavasa	Anjali Kulkarni	Diptivilasa Devana Konda
Current Borrowings taken	2020	-	-	-	-	-	44,373.92	8,100.00	-	-	-
	2019	-	-	98.00	12,500.00	-	3,815.00	16,500.00	-	-	-
Current Borrowings repaid	2020	-	-	-	-	-	14,441.00	8,100.00	-	-	-
	2019	-	-	-	12,500.00	-	1,175.00	16,500.00	-	-	-
Non Current Borrowings repaid	2020	-	-	-	-	-	-	-	-	-	-
	2019	-	-	-	-	-	33,570.00	-	-	-	-
Current Loans Given	2020	-	-	-	-	-	766.00	-	-	-	-
	2019	-	480.00	-	-	480.00	-	13,500.00	-	-	-
Current Loans Given received back	2020	-	480.00	-	-	-	4.00	-	-	-	-
	2019	-	-	-	-	480.00	-	13,500.00	-	-	-
Director sitting fee	2020	-	-	-	-	-	-	-	-	1.71	-
	2019	-	-	-	-	-	-	-	0.55	1.20	0.55
Purchase of goods & Services	2020	22.66	-	-	-	-	38.12	5.93	-	-	-
	2019	19.02	-	-	-	-	35.69	1.85	-	-	-
Interest Income	2020	-	0.85	-	-	-	27.16	-	-	-	-
	2019	-	1.32	-	-	0.28	-	2.76	-	-	-
Dividend Paid	2020	-	-	-	-	-	-	-	-	-	-
	2019	-	-	-	-	-	2,200.00	-	-	-	-
Interest expense	2020	-	-	7.09	-	-	2,992.82	3.24	-	-	-
	2019	-	-	0.33	180.87	-	3,715.80	227.56	-	-	-
Corporate Guarantees issued to banks on behalf of company by	2020	-	-	-	-	-	-	12,655.53	-	-	-
	2019	-	-	-	-	-	-	-	-	-	-
Guarantee Commission	2020	-	-	-	-	-	-	2.59	-	-	-
	2019	-	-	-	-	-	-	-	-	-	-
<b>Balances outstanding</b>											
Non Current financial liabilities - Borrowings	2020	-	-	-	-	-	19,402.35	-	-	-	-
	2019	-	-	-	-	-	19,402.35	-	-	-	-
Non Current financial liabilities - Borrowings - interest free loan	2020	-	-	-	-	-	2,302.16	-	-	-	-
	2019	-	-	-	-	-	2,073.42	-	-	-	-
Other Current financial liabilities- Interest accrued	2020	-	-	6.64	-	-	2,446.26	-	-	-	-
	2019	-	-	0.30	-	-	3,158.81	-	-	-	-
Current financial liabilities - Borrowings	2020	-	-	98.00	-	-	32,572.92	-	-	-	-
	2019	-	-	98.00	-	-	2,640.00	-	-	-	-
Loans to Related Parties	2020	-	-	-	-	-	762.00	-	-	-	-
	2019	-	480.00	-	-	-	-	-	-	-	-
Other financial assets -Accrued	2020	-	-	-	-	-	24.45	-	-	-	-
	2019	-	1.32	-	-	-	-	-	-	-	-
Trade Payables	2020	-	-	-	-	-	38.89	4.42	-	-	-
	2019	-	-	-	-	-	32.61	1.21	-	0.32	-

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**31. Financial Instruments**

**31.1 Fair values**

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

	<b>Carrying value</b>		<b>Fair Value</b>	
	<b>31st March, 2020</b>	<b>31st March, 2019</b>	<b>31st March, 2020</b>	<b>31st March, 2019</b>
	<b>₹ Lacs</b>	<b>₹ Lacs</b>	<b>₹ Lacs</b>	<b>₹ Lacs</b>
<b>Financial assets</b>				
Cash and Cash Equivalents *	7,245.47	2.79	7,245.47	2.79
Trade Receivables*	22,974.09	12,280.52	22,974.09	12,280.52
Unbilled Revenues*	1,265.38	1,323.63	1,265.38	1,323.63
Loans *	762.10	480.10	762.10	480.10
FVTPL Financial Investments	27.57	50.04	27.57	50.04
Other Financial Assets*	364.09	1.32	364.09	1.32
<b>Total</b>	<b>32,638.70</b>	<b>14,138.40</b>	<b>32,638.70</b>	<b>14,138.40</b>
<b>Financial liabilities</b>				
Trade Payables*	334.00	283.50	334.00	283.50
Fixed rate Borrowings (including Current Maturities)*	21,704.51	24,213.77	21,704.51	24,213.77
Floating rate Borrowings (including Current Maturities)*	45,326.45	29,884.22	45,326.45	29,884.22
Other Financial Liabilities*	2,487.90	3,192.55	2,487.90	3,192.55
	<b>69,852.86</b>	<b>57,574.04</b>	<b>69,852.86</b>	<b>57,574.04</b>

\* At Amortised cost

*Notes:* The management assessed that cash and cash equivalents, other balances with bank, trade receivables, loans, 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.

**31.2 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) :

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31. Financial Instruments (Contd.)

		Fair value hierarchy as at 31st March, 2020			
	Date of valuation	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>					
FVTPL Financial Investments	31st March, 2020	27.57	-	-	27.57
		<b>27.57</b>	<b>-</b>	<b>-</b>	<b>27.57</b>
<b>Liabilities for which fair values are disclosed</b>					
Fixed rate Borrowings	31st March, 2020	-	21,704.51	-	21,704.51
Floating rate Borrowings	31st March, 2020	-	45,326.45	-	45,326.45
<b>Total</b>		<b>-</b>	<b>67,030.96</b>	<b>-</b>	<b>67,030.96</b>

		Fair value hierarchy as at 31st March, 2019			
	Date of valuation	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>					
FVTPL Financial Investments	31st March, 2019	50.04	-	-	50.04
		<b>50.04</b>	<b>-</b>	<b>-</b>	<b>50.04</b>
<b>Liabilities for which fair values are disclosed</b>					
Fixed rate Borrowings	31st March, 2019	-	24,213.77	-	24,213.77
Floating rate Borrowings	31st March, 2019	-	29,884.22	-	29,884.22
<b>Total</b>		<b>-</b>	<b>54,097.99</b>	<b>-</b>	<b>54,097.99</b>

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

**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.

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**31.3 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:

	<b>₹ Lacs</b>	
	<b>31st March, 2020</b>	<b>31st March, 2019</b>
Debt (i)	69,485.43	57,257.10
Less: Cash and Bank balances	7,245.47	2.79
<b>Net debt</b>	<b>62,239.96</b>	<b>57,254.32</b>
Total Capital (ii)	23,029.84	19,751.96
<b>Capital and net debt</b>	<b>85,269.80</b>	<b>77,006.28</b>
Net debt to Total Capital plus net debt ratio (%)	72.99	74.35

(i) Debt is defined as long term borrowings (including current maturities) and short term borrowings (excluding derivative, financial guarantee contracts and contingent considerations).

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

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements.

No changes were made in the objectives, policies or processes for managing capital during the years ended 31st March, 2020 and 31st March, 2019.

**31.4 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 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.

**31.4.1 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 impact of equity price risk and currency risk is not applicable. Financial instruments affected by market risk include loans and borrowings, derivative financial instruments.

The sensitivity analysis in the following sections relate to the position as at 31st March, 2020 and 31st March, 2019.

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

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**a. Interest rate risk management**

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

The Company manages its interest rate risk by having a balanced portfolio of fixed and variable rate loans and borrowings.

**(i) Interest rate sensitivity:**

The sensitivity analysis below have been determined based on exposure to interest rates for term loans at the end of the reporting period and the stipulated change taking place at the beginning of the financial year and held constant throughout the reporting period in case of term borrowings that have floating rates.

If the interest rates had been 50 basis points higher or lower and all the other variables were held constant, the effect on Interest expense for the respective financial years and consequent effect on Company's profit in that financial year would have been as below:

	₹ Lacs			
	As of 31st March, 2020		As of 31st March, 2019	
	50 bps increase	50 bps decrease	50 bps increase	50 bps decrease
Interest expense on loan	-	-	149.42	(149.42)
Effect on profit before tax	-	-	(149.42)	149.42

**31.4.2 Credit risk management**

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

	₹ Lacs	
	31st March, 2020	31st March, 2019
Trade Receivables	22,974.09	12,280.52
Loans	762.10	480.10
Other Financial Assets	364.09	1.32
Unbilled Revenue	1,265.38	1,323.63
<b>Total</b>	<b>25,365.66</b>	<b>14,085.57</b>

a) Trade receivables and unbilled revenue as stated above are due from the Discom and are under normal course of the business and as such the Company believes exposure to credit risk to be minimal. (Refer Note no.11 for Trade Receivables)

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.

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**31. Financial Instruments (Contd.)**

**31.4.3 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. 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 amount
<b>31st March, 2020</b>					
<b>Non-Derivatives</b>					
Borrowings #	32,670.92	-	21,269.76	53,940.68	53,940.68
Future Interest	2,595.81	8,588.48	6,135.85	17,320.14	-
Trade Payables	334.00	-	-	334.00	334.00
Other Financial Liabilities	2,487.90	-	-	2,487.90	2,487.90
<b>Total Non-Derivative Liabilities</b>	<b>38,088.63</b>	<b>8,588.48</b>	<b>27,405.61</b>	<b>74,082.72</b>	<b>56,762.58</b>
<b>31st March, 2019</b>					
<b>Non-Derivatives</b>					
Borrowings #	3,698.00	7,440.00	42,959.99	54,097.99	54,097.99
Future Interest	3,288.40	16,938.08	15,219.53	35,446.01	-
Trade Payables	283.50	-	-	283.50	283.50
Other Financial Liabilities	3,192.55	-	-	3,192.55	3,192.55
<b>Total Non-Derivative Liabilities</b>	<b>10,462.45</b>	<b>24,378.08</b>	<b>58,179.52</b>	<b>93,020.05</b>	<b>57,574.04</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. The amounts included above for variable interest rate instruments for non-derivative liabilities is subject to change if changes in variable interest rates differ to those estimates of interest rates determined at the end of the reporting year.

The Company has access to financing facilities as described in note 31.4.4 below. The Company expects to meet its obligations from operating cash flows and proceeds of maturing financial assets.

**31.4.4 Financing Facilities**

	₹ Lacs	
	March 31, 2020	March 31, 2019
<b>Secured bank loan facilities with various maturity dates through to 31st March, 2020 and which may be extended by mutual agreement</b>		
Amount used	-	30,000.00
Amount unused	-	-

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32. 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	27.17	47.11
(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.

**33. Contingent liabilities**

The Company does not have any contingent liabilities as at March 31, 2020 and as at March 31, 2019

**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	16.02	26.40
<b>Total</b>	<b>16.02</b>	<b>26.40</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. a) The Company have a combined capacity of 100 MW (2 plants), supply solar power to Tamil Nadu Generation and Distribution Corporation Limited (TANGEDCO) against long term Power Purchase Agreements (PPAs). As per the said PPAs, the Company is entitled to receive consideration for all energy units supplied and billed. However, whilst effecting payments to all solar power producers (including the Company) TANGEDCO is not making payment for energy units supplied and billed in excess of 19% Capacity Utilisation Factor (CUF) in accordance with its internal circular.

National Solar Energy Federation of India (NSEFI) has filed the writ petition with Madras High Court challenging the said circular issued by TANGEDCO on behalf of generators who have commissioned solar power plants and impacted by the said circular. The Tata Power Company Limited, ultimate holding company of the Company, is also a Member of NSEFI. The said petition has been admitted. On the basis of an independent legal opinion and the latest Tamil Nadu Electricity Regulatory Commission (TNERC) order issued on March 25, 2019 on backing down/curtailment instruction to solar power plants, the Company is confident that said circular issued by TANGEDCO is unilateral action and not tenable legally. Hence, the Company considers that it is highly probable that the consideration for energy units supplied in excess of 19% CUF would be realized.

Accordingly, the Company has a trade receivable balance of INR 3,350.45 Lacs (including INR 1,320 Lacs relating to revenue recognised in current period) for such excess units as on March 31, 2020. Considering signed PPA and its independent legal evaluation, the company believes that these amounts are fully recoverable and no provision has been recognized in the financial statements.

- b) Trade Receivables include INR 22,974.09 Lacs receivable from TANGEDCO (including INR 12,999 Lacs relating to current period, INR 12,655.53 Lacs relating to bill discounting with recourse till date (refer trade receivables note no 11.2) and INR 3,350.45 Lacs pertaining to CUF adjustment as mentioned above). The Company is of the view that these receivables are fully recoverable. In accordance with the PPAs, the Company is entitled to receive interest on delayed payment, however it is recognized, on prudence grounds, only when recovered. The Company is of the view that there is no credit loss or loss due to time value of money as TANGEDCO is a State Electricity Distribution Company and the outstanding amounts would be recovered along with the interest in terms of the relevant PPA. Hence, no provision for Expected Credit Loss in accordance with IND AS 109 has been recognized in the financial statements.

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**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.

**39. Approval of Financial Statements**

The financial statements were approved for issue by the Board of Directors on 27th April, 2020.

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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

Ashish Khanna	Soundararajan Kasturi
Director	Director
DIN 06699527	DIN 03481637

per Vishal Bansal  
Partner  
Membership No. 097546

Mahesh Paranjpe	Behram Mehta	Santosh C.R.
Chief Executive Officer	Chief Financial Officer	Company Secretary

Mumbai, 27th April, 2020

Mumbai, 27th April, 2020