

INDEPENDENT AUDITOR'S REPORT

To the Members of Walwhan Renewable Energy Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of Walwhan Renewable Energy Limited (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") comprising of the consolidated Balance Sheet as at March 31 2021, the consolidated Statement of Profit and Loss, including consolidated other comprehensive income, the consolidated Cash Flow Statement and the consolidated Statement of Changes in Equity for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated 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 consolidated state of affairs of the Group as at March 31, 2021, their consolidated profit including consolidated other comprehensive income, their consolidated cash flows and the consolidated statement of changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the consolidated 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 Consolidated Financial Statements' section of our report. We are independent of the Group 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 consolidated financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the financial year ended March 31, 2021. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For the matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matter described below to be the key audit matter to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the consolidated financial statements section of our report, including in relation to this matter. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of audit procedures performed by us, including those procedures performed to address the



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matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

Key audit matter	How our audit addressed the key audit matter
<u>Revenue recognition and recoverability of related accounts receivables (as described in note 41 and 42 of the consolidated financial statements)</u>	
<p>The Group sells power to various customers in accordance with the long-term Power Purchase Agreements (PPAs) entered with them.</p> <p>One of the customers has disputed, and is not making payment for, invoices raised by the Group entities for the electricity supplied in excess of 19% Capacity Utilisation Factor (CUF). Total amount of disputed dues for the customer is Rs. 90.85 crore including Rs. 2.93 crore recognised as revenue in the current year related to disputed dues.</p> <p>Another customer has requested for renegotiation of tariff agreed as per the PPA and is making partial payments of sales invoices raised by the Company. Total amount of disputed dues for the customer is Rs. 195.95 crore including Rs. 69.52 crore recognised as revenue in the current year related to disputed dues.</p> <p>Considering the above, there are significant delays in recovery of disputed dues. The Group has assessed and determined that contract is legally enforceable, and amount invoiced to and revenue recognized is in accordance with Ind AS 115 Revenue from Contracts with Customers. It has not recognised any expected credit loss (ECL) impairment allowance in respect of the above receivables.</p> <p>We focused on revenue recognition and recoverability of related receivables in respect of disputed dues, because they involve a high level of management judgement.</p>	<p>Our audit procedures included:</p> <ul style="list-style-type: none">• We considered the Group's accounting policies with respect to revenue in accordance with Ind AS 115 "Revenue from Contracts with Customers".• We tested controls over revenue recognition process through inspection of evidence of performance of these controls.• We read the executed (PPAs) with the customers and evaluated relevant clauses to understand management's assessment of the Group's rights vis-à-vis the customers, including terms related to units supplied and to be invoiced, rate applicable, payment and late payment surcharge in the PPAs.• We tested the invoices and the related supporting documents with respect to revenue recognized for energy units supplied and for rate agreed in PPAs.• With respect to matters in dispute, we obtained and read correspondences with customers, case documents including petitions filed, grounds of appeal and respondent claims etc. We evaluated management's assessment of the expected outcome of the matters under dispute based on past precedents, advice of management experts and legal opinions.• We evaluated management's estimation of provision for expected credit loss including evaluation of assumptions and verification of computation.• We evaluated the disclosures relating to this matter in note 41 and 42 of the consolidated financial statements.



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Other Information

The Holding Company's Board of Directors is responsible for the other information. The other information comprises the Board Report, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated 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 consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the consolidated 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.

Responsibilities of Management for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in terms of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance including consolidated other comprehensive income, consolidated cash flows and consolidated statement of changes in equity of the Group 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. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group 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 consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group 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 Group or to cease operations, or has no realistic alternative but to do so.

Those respective Board of Directors of the companies included in the Group are also responsible for overseeing the financial reporting process of the Group.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated financial statements.



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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 consolidated 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 Holding Company and its subsidiaries, which are companies incorporated in India, have adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group 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 consolidated 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 Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group of which we are the independent auditors, to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors 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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the financial year ended March 31, 2021 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when,



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in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, we report, to the extent applicable, 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 of the aforesaid consolidated financial statements;
- (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidation of the financial statements have been kept so far as it appears from our examination of those books;
- (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including the Consolidated Statement of Other Comprehensive Income, the Consolidated Cash Flow Statement and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated financial statements;
- (d) In our opinion, the aforesaid consolidated 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 of the Holding Company as on March 31, 2021 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors who are appointed under Section 139 of the Act, of its subsidiary companies none of the directors of the Group's companies, incorporated in India is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164 (2) of the Act;
- (f) With respect to the adequacy and the operating effectiveness of the internal financial controls over financial reporting with reference to these consolidated financial statements of the Holding Company and its subsidiary companies incorporated in India, refer to our separate Report in "Annexure 1" to this report;
- (g) In our opinion, the managerial remuneration for the year ended March 31, 2021 has been paid / provided by the Holding Company and its subsidiaries incorporated in India to their 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 consolidated financial statements disclose the impact of pending litigations on its consolidated financial position of the Group, in its consolidated financial statements - Refer Note 36 to the consolidated financial statements;
 - ii. The Group did not have any material foreseeable losses in long-term contracts including derivative contracts during the year ended March 31, 2021;

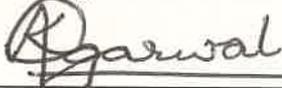


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- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company and its subsidiaries incorporated in India during the year ended March 31, 2021.

For SRBC & CO LLP
Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003



per Abhishek Agarwal
Partner

Membership Number: 112773
UDIN: 21112773AAAACJ1161
Place of Signature: Mumbai
Date: April 19, 2021



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Annexure 1 to the Independent Auditor's Report of Even Date on the Consolidated Financial Statements of Walwhan Renewable Energy Limited

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

In conjunction with our audit of the consolidated financial statements of Walwhan Renewable Energy Limited (hereinafter referred to as the "Holding Company") as of and for the year ended March 31, 2021, we have audited the internal financial controls over financial reporting of Walwhan Renewable Energy Company Limited and its subsidiary companies (the Holding Company and its subsidiaries together referred to as "the Group"), which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the companies included in the Group, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective 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 Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the Holding Company's internal financial controls over financial reporting with reference to these consolidated 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, both, issued by ICAI, and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. 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 consolidated 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 consolidated 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 consolidated 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 consolidated financial statements.



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

A company's internal financial control over financial reporting with reference to these consolidated 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 consolidated 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.

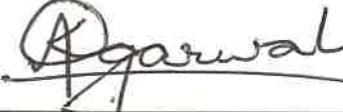
Inherent Limitations of Internal Financial Controls Over Financial Reporting With Reference to these Consolidated Financial Statements

Because of the inherent limitations of internal financial controls over financial reporting with reference to these consolidated 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 consolidated financial statements to future periods are subject to the risk that the internal financial control over financial reporting with reference to these consolidated 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 Group, which are companies incorporated in India, have, maintained in all material respects, adequate internal financial controls over financial reporting with reference to these consolidated financial statements and such internal financial controls over financial reporting with reference to these consolidated financial statements were operating effectively as at March 31, 2021, based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

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


per Abhishek Agarwal
Partner
Membership Number: 112773
UDIN: 21112773AAAACJ1161
Place of Signature: Mumbai
Date: April 19, 2021



Walwhan Renewable Energy Limited
(Formerly known as Walwhan Renewable Energy Private Limited)
(Formerly known as Welspun Renewables Energy Private Limited)
Consolidated Balance Sheet as at 31st March, 2021

		As at 31st March, 2021 ₹ crores	As at 31st March, 2020 ₹ crores
ASSETS			
Non-current Assets			
(a) Property, Plant and Equipment	7	5,577.10	5,835.80
(b) Capital Work-in-Progress		12.57	14.16
(c) Goodwill	8	12.32	12.32
(d) Intangible Assets	9	22.43	24.46
(e) Financial Assets			
(i) Other Investments	10	0.00	0.00
(ii) Trade Receivables	11	276.68	-
(iii) Loans	12	0.91	0.94
(iv) Other Financial Assets	13	299.00	293.65
(f) Non-current Tax Assets (Net)	14	28.33	57.57
(g) Deferred Tax Assets (Net)	15	48.94	54.49
(h) Other Non-current Assets	16	0.16	0.22
Total Non-current Assets		6,278.44	6,293.61
Current Assets			
(a) Inventories	17	14.12	17.02
(b) Financial Assets			
(i) Investments	18	70.11	173.05
(ii) Trade Receivables	11	483.76	960.38
(iii) Unbilled Revenue		138.15	142.41
(iv) Cash and Cash Equivalents	19	81.54	108.81
(v) Bank Balances other than (iv) above	20	11.25	14.05
(vi) Loans	12	563.15	104.14
(vii) Other Financial Assets	13	13.72	8.89
(c) Other Current Assets	16	1.13	1.35
Total Current Assets		1,376.93	1,530.10
TOTAL ASSETS		7,655.37	7,823.71
EQUITY AND LIABILITIES			
Equity			
(a) Equity Share Capital	21	611.36	611.36
(b) Other Equity	22	1,989.05	1,688.93
Total Equity		2,600.41	2,300.29
LIABILITIES			
Non-current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	23	2,634.37	4,217.70
(ii) Lease liabilities	24	3.58	3.57
(b) Deferred Tax Liabilities (Net)	15	184.38	146.85
(c) Provisions	27	5.30	5.14
(d) Other Non-current Liabilities	28	167.62	141.34
Total Non-current Liabilities		2,995.25	4,514.60



Walwhan Renewable Energy Limited
 (Formerly known as Walwhan Renewable Energy Private Limited)
 (Formerly known as Welspun Renewables Energy Private Limited)
 Consolidated Balance Sheet as at 31st March, 2021

Notes	As at	As at
	31st March, 2021	31st March, 2020
	₹ crores	₹ crores
Current Liabilities		
(a) Financial Liabilities		
(i) Borrowings	29 562.40	678.18
(ii) Trade Payables	43.43	40.42
(iii) Other Financial Liabilities	25 1,442.95	269.58
(b) Current Tax Liabilities (Net)	26 0.04	3.45
(c) Provisions	27 0.21	0.19
(d) Other Current Liabilities	28 10.68	17.00
Total Current Liabilities	2,059.71	1,008.82
TOTAL EQUITY AND LIABILITIES	7,655.37	7,823.71

See accompanying notes to the consolidated 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



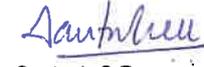
per Abhishek Agarwal
 Partner
 Membership No. 112773
 Mumbai, 19th April, 2021




 Ashwinikumar Patil
 Chief Executive Officer
 Mumbai, 19th April, 2021


 Behram Mehta
 Chief Financial Officer
 Mumbai, 19th April, 2021


 Ashish Khanna
 Chairman
 DIN 06699527
 Mumbai, 19th April, 2021


 Santosh C.R.
 Company Secretary
 Mumbai, 19th April, 2021



Walwhan Renewable Energy Limited
(Formerly known as Walwhan Renewable Energy Private Limited)
(Formerly known as Welspun Renewables Energy Private Limited)
Consolidated Statement of Profit and Loss for the year ended 31st March, 2021

	Notes	For the year ended 31st March, 2021 ₹ crores	For the year ended 31st March, 2020 ₹ crores	
I	Revenue from Operations	30	1,189.75	1,202.66
II	Other Income	31	44.18	21.81
III	Total Income (I+II)		1,233.93	1,224.47
IV	Expenses			
	Employee Benefits Expense	32	16.02	20.14
	Finance Costs	33	390.62	447.23
	Depreciation and Amortisation Expenses	9	287.56	294.76
	Other Expenses	34	125.24	112.05
	Total Expenses		819.44	874.18
V	Profit Before Tax (III-IV)		414.49	350.29
VI	Tax Expense			
	Current Tax	35	51.49	34.81
	Deferred Tax	35	43.08	23.22
	Remeasurement of deferred tax on account of new tax regime	35	-	109.50
			94.57	167.53
VII	Profit after Tax for the year (V-VI)		319.92	182.76
VIII	Other Comprehensive Income/ (Expenses)			
	Add/ (Less):			
	(i) Items that will not be reclassified to profit or loss			
	(a) Remeasurement of the Defined Benefit Plans	22	0.37	(1.25)
			0.37	(1.25)
IX	Total Comprehensive Income for the year (VII + VIII)		320.29	181.51
	Profit for the year attributable to:			
	- Owners of the Company		319.92	182.76
	- Non-controlling interest		-	-
			319.92	182.76
	Other comprehensive Income for the year attributable to:			
	- Owners of the Company		0.37	(1.25)
	- Non-controlling interest		-	-
			0.37	(1.25)
	Total Comprehensive Income for the year attributable to:			
	- Owners of the Company		320.29	181.51
	- Non-controlling interest		-	-
			320.29	181.51
X	Basic and Diluted Earnings Per Equity Share (of ₹ 10/- each)	37		
	(i) Basic (₹)		5.23	2.99
	(ii) Diluted (₹)		5.23	2.99

See accompanying notes to the consolidated 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

per Abhishek Agarwal
Partner
Membership No. 112773
Mumbai, 19th April, 2021



Ashwinikumar Patil

Ashwinikumar Patil
Chief Executive Officer
Mumbai, 19th April, 2021

Ashish Khanna

Ashish Khanna
Chairman
DIN 06699527
Mumbai, 19th April, 2021

Behram Mehta

Behram Mehta
Chief Financial Officer
Mumbai, 19th April, 2021

Santosh C.R.

Santosh C.R.
Company Secretary
Mumbai, 19th April, 2021

Walwhan Renewable Energy Limited
(Formerly known as Walwhan Renewable Energy Private Limited)
(Formerly known as Welspun Renewables Energy Private Limited)
Consolidated Statement of Cash Flows for the year ended 31st March, 2021

	For the year ended 31st March, 2021 ₹ crores	For the year ended 31st March, 2020 ₹ crores
A. Cash Flow from Operating Activities		
Profit before tax	414.49	350.29
Adjustments to reconcile Profit Before Tax to Net Cash Flows:		
Depreciation and Amortisation Expense	287.56	294.76
Liability no longer required written back	(2.23)	-
Finance income from service concession arrangement	(36.49)	(38.62)
(Gain)/ Loss on Disposal of Property, Plant and Equipment (Net)	6.74	2.59
Interest income on unbilled revenue	(11.61)	(10.28)
Amortisation of deferred revenue	8.99	10.07
Interest expense on deferred revenue	17.33	21.85
Finance Cost	373.29	425.38
Interest Income	(18.25)	(2.74)
Interest Income on income tax refund	(3.06)	(2.48)
Gain on Sale/ Fair Value of Current Investments measured at FVTPL	(7.05)	(5.01)
Reversal of Impairment Allowance for Doubtful Debts and Advances	(2.00)	(1.30)
	613.22	694.22
Working Capital Adjustments:		
Adjustments for (increase)/ decrease in Operating Assets:		
Inventories	2.90	2.53
Trade Receivables	199.94	(486.48)
Unbilled Revenue	4.26	(28.35)
Other Current Assets	0.22	0.74
Other Non-current Assets	0.06	0.32
Other Financial Assets - Current	12.70	(2.33)
Other Financial Assets - Non-Current	0.33	(0.15)
Movement in Operating Asset	220.41	(513.72)
Adjustments for increase/ (decrease) in Operating Liabilities:		
Trade Payables	5.24	5.38
Other Current Liabilities	(6.32)	0.39
Other Non-current Liabilities	2.15	-
Other Financial Liabilities - Current	-	(0.01)
Current Provisions	0.02	0.05
Non-current Provisions	0.53	(0.39)
Movement in Operating Liability	1.62	5.42
Cash Flow from Operations	1,249.74	536.21
Income-tax paid	(25.66)	(50.51)
Net Cash Flow from Operating Activities	1,224.08	485.70
B. Cash Flow from Investing Activities		
Capital expenditure on Property, Plant and Equipment (including capital advances)	(38.52)	(24.23)
Proceeds from sale of Property, Plant and Equipment	4.40	1.23
Interest income on income tax refund	3.06	2.48
Principal proceeds under service concession arrangement	2.58	1.34
Finance income from service concession arrangement	36.49	38.62
Purchase of Current Investments	(1,256.52)	(1,220.77)
Proceeds from sale of Current Investments	1,366.51	1,095.96
Inter-corporate deposits given	(713.09)	(734.33)
Inter-corporate deposits given received back	248.79	721.39
Interest Received	9.21	2.90
Bank Balance not considered as Cash and Cash Equivalents (with maturity more than three months)		
- Placed	-	(3.74)
- Matured	2.80	-
Net Cash Flow used in Investing Activities	(334.29)	(119.15)



Walwhan Renewable Energy Limited
(Formerly known as Walwhan Renewable Energy Private Limited)
(Formerly known as Welspun Renewables Energy Private Limited)
Consolidated Statement of Cash Flows for the year ended 31st March, 2021

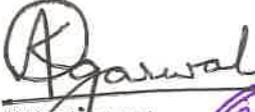
	For the year ended 31st March, 2021 ₹ crores	For the year ended 31st March, 2020 ₹ crores
C. Cash Flow from Financing Activities		
Proceeds from current borrowings issued as commercial paper	398.70	584.30
Repayment of current borrowings issued as commercial paper	(300.00)	(300.00)
Proceeds from Non-current Borrowings	-	474.12
Repayment of Non-current Borrowings	(406.35)	(974.13)
Proceeds from Current Borrowings (Refer note 11.2)	326.41	385.82
Repayment of Current Borrowings	(548.78)	-
Proceeds from current borrowings-related party	262.50	727.59
Repayment of current borrowings-related party	(262.50)	(767.59)
Payment of lease liabilities	(0.31)	(0.31)
Finance Cost Paid	(366.56)	(408.42)
Dividend Paid	(20.17)	-
Net Cash Flow used in Financing Activities	(917.06)	(278.62)
Net increase/ (decrease) in Cash and Cash Equivalents	(27.27)	87.93
Cash and Cash Equivalents as at 1st April (Opening Balance)	108.81	20.88
Cash and Cash Equivalents as at 31st March (Closing Balance)	81.54	108.81
Breakup of Cash and Cash Equivalents as at 1st April		
(i) Balances with Banks:		
In Current Accounts	37.00	19.57
In Deposit Accounts (with original maturity less than three months)	71.81	1.31
	108.81	20.88
Breakup of Cash and Cash Equivalents as at 31st March		
(i) Balances with Banks:		
In Current Accounts	81.54	37.00
In Deposit Accounts (with original maturity less than three months)	-	71.81
	81.54	108.81

See accompanying notes to the consolidated financial statements

As per our report of even date

For and on behalf of the Board of Directors,

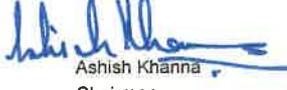
For S R B C & CO LLP
Chartered Accountants
ICAI Firm Registration No: 324982E/E300003

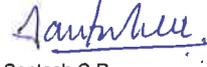

per Abhishek Agarwal
Partner
Membership No. 112773
Mumbai, 19th April, 2021




Ashwinkumar Patil
Chief Executive Officer
Mumbai, 19th April, 2021


Behram Mehta
Chief Financial Officer
Mumbai, 19th April, 2021


Ashish Khanna
Chairman
DIN 06699527
Mumbai, 19th April, 2021


Santosh C.R.
Company Secretary
Mumbai, 19th April, 2021

Walwhan Renewable Energy Limited
(Formerly known as Walwhan Renewable Energy Private Limited)
(Formerly known as Welspun Renewables Energy Private Limited)
Consolidated Statement of Changes in Equity as at 31st March, 2021

A. Equity Share Capital (Refer note 21)

	₹ crores	
	No. of Shares	Amount
Balance as at 1st April, 2019	61,13,55,942	611.36
Issued during the year	-	-
Balance as at 31st March, 2020	61,13,55,942	611.36
Balance as at 1st April, 2020	61,13,55,942	611.36
Issued during the year	-	-
Balance as at 31st March, 2021	61,13,55,942	611.36

B. Other Equity (Refer note 22)

Description	Reserves and Surplus						Total
	Securities Premium	Debenture Redemption Reserve	Capital Reserve	Retained Earnings	Equity Contribution Financial guarantee	Controlling Interests	
Balance as at 1st April, 2019	1,108.54	100.00	26.74	268.20	3.94	1,507.42	1,507.42
Profit for the year	-	-	-	182.76	-	182.76	182.76
Other Comprehensive Income for the year (Net of Tax)	-	-	-	(1.25)	-	(1.25)	(1.25)
Total Comprehensive Income	-	-	-	181.51	-	181.51	181.51
Balance as at 31st March, 2020	1,108.54	100.00	26.74	449.71	3.94	1,688.93	1,688.93
Balance as at 1st April, 2020	1,108.54	100.00	26.74	449.71	3.94	1,688.93	1,688.93
Profit for the year	-	-	-	319.92	-	319.92	319.92
Other Comprehensive loss for the year (Net of Tax)	-	-	-	0.37	-	0.37	0.37
Total Comprehensive Income	-	-	-	320.29	-	320.29	320.29
Dividend paid	-	-	-	(20.17)	-	(20.17)	(20.17)
Balance as at 31st March, 2021	1,108.54	100.00	26.74	749.83	3.94	1,989.05	1,989.05

See accompanying notes to the consolidated 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

per Abhishek Agarwal
Partner
Membership No. 112773
Mumbai, 19th April, 2021



Agpatil
Ashwinikumar Patil
Chief Executive Officer
Mumbai, 19th April, 2021

by me
Behram Mehta
Chief Financial Officer
Mumbai, 19th April, 2021

Ashish Khanna
Ashish Khanna
Chairman
DIN 06699527
Mumbai, 19th April, 2021

Santosh C.R.
Santosh C.R.
Company Secretary
Mumbai, 19th April, 2021

Walwhan Renewable Energy Limited
(Formerly known as Walwhan Renewable Energy Private Limited)
(Formerly known as Welspun Renewables Energy Private Limited)
Notes to the Consolidated Financial Statements

1. Corporate Information:

Walwhan Renewable Energy Limited (formerly known as "Walwhan Renewable Energy Private Limited" and "Welspun Renewables Energy Private Limited") (the 'Company' or 'WREL') was incorporated on November 11, 2009 as subsidiary of Welspun Energy Private Limited. Subsequently in September 2016, Tata Power Renewable Energy Limited (a wholly owned subsidiary company of The Tata Power Company Limited) acquired the outstanding shares held by Welspun Energy Private Limited and Asian Development Bank, whereby the Company became a wholly owned subsidiary of Tata Power Renewable Energy Limited, as of September 14, 2016.

The Principal business of the Company and its subsidiaries (together referred to as "the Group") is to sell the power generated from solar and wind projects across India. The Group has operational plants of approx. 1146 MW. One of the subsidiaries, Clean Sustainable Solar Energy Private Limited (CSSEPL) has also entered into an public private partnership agreement with Maharashtra State Power Generation Company Limited ("MAHAGENCO") and has set up a 50 MW power project.

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 Company's 8% Compulsorily Redeemable Non-Convertible Debentures are listed on National Stock Exchange of India Ltd.

The financial statements were authorised for issue in accordance with a resolution of the Directors on 19th April, 2021.

2 Statement of compliance

The consolidated 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 accounting policies adopted are consistent with those of the previous financial year.

Certain changes to Ind AS have become applicable to the Group from the financial year beginning 1st April, 2020. However, their application did not have any material impact on the consolidated financial statements.

3.1 Basis of preparation and presentation

The consolidated 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).
- employee benefit expenses (Refer Note 27 for Accounting policy)

Historical cost is the amount of cash or cash equivalents paid or the fair value of the consideration given to acquire assets at the time of their acquisition or the amount of proceeds received in exchange for the obligation, or at the amounts of cash or cash equivalents expected to be paid to satisfy the liability in the normal course of business.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

3.2 Basis of consolidation

The Company consolidates all entities which are controlled by it. The consolidated financial statements comprise the financial statements of the Company and its subsidiaries. Control exists when the parent has power over the entity, is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns by using its power over the entity. Power is demonstrated through existing rights that give the ability to direct relevant activities, those which significantly affect the entity's returns. The entities are consolidated from the date control commences until the date control ceases.

The consolidated financial statements of the Group companies are consolidated on a line-by-line basis and intra-group balances and transactions including unrealised gain/loss from such transactions are eliminated upon consolidation. These consolidated financial statements are prepared by applying uniform accounting policies in use at the Group. Profit or loss on each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interest having a deficit balance.

Changes in the Group's holding that do not result in a loss of control are accounted for as equity transactions. The carrying amount of the Group's holding and the non-controlling interests are adjusted to reflect the changes in their relative holding. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

3.3 Business Combinations and Goodwill

The Group accounts for its business combinations under acquisition method of accounting. Acquisition related costs are recognised in statement of profit and loss as incurred. The acquiree's identifiable assets, liabilities and contingent liabilities that meet the condition for recognition are recognised at their fair values at the acquisition date.

Purchase consideration paid in excess of the fair value of net assets acquired is recognised as goodwill. Where the fair value of identifiable assets and liabilities exceed the cost of acquisition, after reassessing the fair values of the net assets and contingent liabilities, the excess is recognised as capital reserve.

The interest of non-controlling shareholders is initially measured either at fair value or at the non-controlling interests' proportionate share of the acquiree's identifiable net assets. The choice of measurement basis is made on an acquisition-by-acquisition basis. Subsequent to acquisition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity of subsidiaries.



Walwhan Renewable Energy Limited
(Formerly known as Walwhan Renewable Energy Private Limited)
(Formerly known as Welspun Renewables Energy Private Limited)
Notes to the Consolidated Financial Statements

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests and any previous interest held, over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in other comprehensive income (OCI) and accumulated in equity as capital reserve. However, if there is no clear evidence of bargain purchase, the entity recognises the gain directly in equity as capital reserve, without routing the same through OCI.

Business combinations arising from transfers of interests in entities that are under the common control are accounted at historical costs. The difference between any consideration given and the aggregate historical carrying amount of assets and liabilities of the acquired entity are recorded in shareholders' equity.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units or group of cash generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

A cash generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

3.4 Details of the Group's subsidiaries at the end of the reporting period considered in the preparation of the Consolidated Financial Statements are as follows:

Name	Country of Incorporation	% of holding and voting power either directly or indirectly through subsidiary as at	
		31st March, 2021	31st March, 2020
Subsidiaries (Direct)			
Clean Sustainable Solar Energy Private Limited	India	100	99.99
MI Mysolar24 Private Limited	India	100	100
Northwest Energy Private Limited	India	100	100
Solarsys Renewable Energy Private Limited	India	100	100
Walwhan Solar Energy GJ Limited (formerly known as Walwhan Solar Energy GJ Private Limited and Unity Power Private Limited)	India	100	100
Walwhan Solar Raj Limited (formerly known as Walwhan Solar Raj Private Limited and Viraj Renewables Energy Private Limited)	India	100	100
Walwhan Solar BH Limited (formerly known as Walwhan Solar BH Private Limited and formerly known as Welspun Energy Jharkhand Private Limited)	India	100	100
Walwhan Solar MH Limited (formerly known as Walwhan Solar MH Private Limited and Welspun Energy Maharashtra Private Limited)	India	100	100
Walwhan Wind RJ Limited (formerly known as Walwhan Wind RJ Private Limited and Welspun Energy Rajasthan Private Limited)	India	100	100
Walwhan Solar AP Limited (formerly known as Walwhan Solar AP Private Limited and Welspun Solar AP Private Limited)	India	100	100
Walwhan Solar MP Limited (formerly known as Walwhan Solar MP Private Limited and Welspun Solar Madhya Pradesh Private Limited)	India	100	100
Walwhan Solar PB Limited (formerly known as Walwhan Solar PB Private Limited and Welspun Solar Punjab Private Limited)	India	100	100
Walwhan Energy RJ Limited (formerly known as Walwhan Energy RJ Private Limited and Welspun Solar Rajasthan Private Limited)	India	100	100
Walwhan Solar TN Limited (formerly known as Walwhan Solar TN Private Limited and Welspun Solar Tech Private Limited)	India	100	100
Walwhan Solar RJ Limited (formerly known as Walwhan Solar RJ Private Limited and Welspun Solar UP Private Limited)	India	100	100
Walwhan Urja Anjar Limited (formerly known as Walwhan Urja Anjar Private Limited and Welspun Urja Gujarat Private Limited)	India	100	100
Walwhan Urja India Limited (formerly known as Welspun Urja India Limited)	India	100	100
Subsidiaries (Indirect)			
Dreisatz Mysolar24 Private Limited	India	100	100
Walwhan Solar KA Limited (formerly known as Walwhan Solar KA Private Limited and Welspun Solar Kannada Private Limited)	India	100	100



4. Other Significant Accounting Policies

4.1 Foreign Currencies

The functional currency of the Group 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.

4.2 Current versus non-current classification

The Group 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 Group 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 Group has identified twelve months as its operating cycle.

4.3 Financial Instruments

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

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

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

4.4 Financial Assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the market place.

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.

4.4.1 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.

4.4.2 Financial assets at fair value through other comprehensive income (FVTOCI)

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 Group 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 equity investment classified as FVTOCI.



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

Investments in equity instruments are classified as at FVTPL, unless the Group irrevocably elects on initial recognition to present subsequent changes in fair value in other comprehensive income.

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.

4.4.4 Derecognition

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

- the right to receive cash flows from the asset have expired, or
- the Group 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 Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group 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 Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group 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 Group has retained.

4.4.5 Impairment of financial assets

The Group assesses at each date of balance sheet whether a financial asset or a group of financial assets is impaired. Ind AS 109 requires expected credit losses to be measured through a loss allowance. The Group 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 on whether the credit risk on the financial asset has increased significantly since initial recognition.

4.5 Financial liabilities and equity instruments

4.5.1 Classification as debt or equity

Debt and equity instruments issued by a Group 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.

4.5.2 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.

4.5.3 Financial liabilities

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

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

4.5.4 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 consolidated statement of profit and loss.

4.5.5 Financial guarantee contracts

Financial guarantee contracts issued by the Group 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.

4.6 Derivative financial instruments

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

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



4.7 Reclassification of financial assets and liabilities

The Group 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 Group's senior management determines change in the business model as a result of external or internal changes which are significant to the Group'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.

4.8 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.

4.9 Dividend distribution to equity shareholders of the Parent Company

The Parent 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.

4.10 Government Grants

Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grant will be received. Government grants relating to the purchase of property, plant and equipment are reduced from the cost of the assets.

5. Service Concession Agreement (SCA)

A Group entity has entered into contract for design, part finance, engineering, manufacture, supply, erection, testing, commissioning and operation and maintenance for 25 years of Grid Interactive Solar Power Project through Public Private Partnership with a public sector power generator (PSU). The PSU has paid part of the project cost to the Group on commissioning of plant/Handover of Project. Remaining cost and the operations and maintenance cost is being recovered over the period of the project in accordance with the agreement with the PSU.

Ind AS 115 establishes a five-step model to account for revenue arising from contracts with customers and requires that revenue be recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. It requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers.

As per the arrangement, the share of electricity revenue is divided into three parts i.e. towards deferred payment, interest income and operation and maintenance revenue. The Group has initially measured financial asset at fair value and subsequently at amortized cost by recognizing share of electricity sale revenue first towards operation and maintenance revenue. Subsequent thereto, amount is recognised as interest income at computed Internal Rate of Return (IRR) on opening balance of the financial asset. Further, surplus of revenue share over and above operation and maintenance revenue and interest income is recognised as recovery of the financial asset.

6. Critical accounting estimates and judgements

In the application of the Groups accounting policies, management of the Group 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 consolidated 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) (refer note 7)

Estimation of defined benefit obligation (refer note 27)

Estimation of current tax and deferred tax expense (including Minimum Alternate Tax credit) (refer note 35 and 15)

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 Group and that are believed to be reasonable under the circumstances.



7. Property, Plant and Equipment

Accounting Policy

Property, plant and equipment is stated at cost less accumulated depreciation and accumulated impairment losses, if any. Cost includes purchase price (net of trade discount and rebates) and any directly attributable cost of bringing the asset to its working condition for its intended use and for qualifying assets, borrowing costs capitalised in accordance with the 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 Group depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in statement of profit and loss as incurred.

Depreciation

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

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

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis. The Group, 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 of tangible and intangible assets

The Group 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 Group 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 Group.

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

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used.

The Group bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Group's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover Power Purchase agreement period.

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



7. Property, Plant and Equipment (Contd.)

A. Owned Assets								₹ crores
Description	Freehold Land	Buildings	Plant and Equipment	Furniture and Fixtures	Office Equipment	Vehicles	Total	
Cost								
Balance as at 1st April, 2020	178.86	140.88	7,104.90	1.10	2.99	0.39	7,429.12	
Additions	0.18	1.60	33.70	0.22	0.18	0.02	35.90	
Disposals (Refer note b & c)	0.35	0.18	30.06	-	-	-	30.59	
Balance as at 31st March, 2021	178.69	142.30	7,108.54	1.32	3.17	0.41	7,434.43	
Accumulated depreciation and impairment								
Balance as at 1st April, 2020	-	28.94	1,596.31	0.53	1.98	0.23	1,627.99	
Depreciation Expense	-	5.45	277.86	0.12	0.22	0.04	283.69	
Eliminated on disposal of assets (Refer note b & c)	-	-	19.45	-	-	-	19.45	
Balance as at 31st March, 2021	-	34.39	1,854.72	0.65	2.20	0.27	1,892.23	
Net carrying amount								
As at 31st March, 2021	178.69	107.91	5,253.82	0.67	0.97	0.14	5,542.20	
As at 31st March, 2020	178.86	111.94	5,508.59	0.57	1.01	0.16	5,801.13	

B. Right of Use Assets								₹ crores
Description	Freehold Land	Buildings	Plant and Equipment	Furniture and Fixtures	Office Equipment	Vehicles	Total	
Cost								
Balance as at 1st April, 2019	179.01	140.18	7,100.46	1.20	2.53	0.40	7,423.78	
Additions	-	0.70	9.33	0.07	0.46	-	10.56	
Disposals (Refer note e)	0.15	-	4.89	0.17	-	0.01	5.22	
Balance as at 31st March, 2020	178.86	140.88	7,104.90	1.10	2.99	0.39	7,429.12	
Accumulated depreciation and impairment								
Balance as at 1st April, 2019	-	23.52	1,312.50	0.54	1.76	0.20	1,338.52	
Depreciation Expense (Refer note d)	-	5.42	285.07	0.12	0.22	0.04	290.87	
Eliminated on disposal of assets (Refer note e)	-	-	1.26	0.13	-	0.01	1.40	
Balance as at 31st March, 2020	-	28.94	1,596.31	0.53	1.98	0.23	1,627.99	
Net carrying amount								
As at 31st March, 2020	178.86	111.94	5,508.59	0.57	1.01	0.16	5,801.13	
As at 31st March, 2019	179.01	116.66	5,787.96	0.66	0.77	0.20	6,085.26	

Notes:

- Refer Note 23 for charge created on Property, Plant and Equipment.
- During the current year, in case of Walwhan Solar AP Limited and Walwhan Solar MP Limited (subsidiary companies of the Walwhan Renewable Energy Limited), the Group has charged off Solar Modules and Solar Inverter of ₹ 6.76 Crore (Gross Block ₹ 26.21 Crore, accumulated depreciation ₹ 19.45 Crore) based on management assessment for their usability.
- During the current year, the Holding Company and two of the subsidiaries companies have written back old capital creditor amounting to ₹ 4.36 crores and adjusted the same from gross block.
- During the previous year, in case of Walwhan Solar AP Limited (subsidiary company of the Walwhan Renewable Energy Limited), the Group has provided for additional depreciation to the extent of INR 8.00 crores on for existing modules based on management assessment for their life and it's alternate use.
- During the previous year, Loss of ₹ 3.67 crores (Gross Block ₹ 5.07 crores, accumulated depreciation ₹ 1.40 crores) pertains to Property, Plant and Equipment written off based on physical verification conducted.
- Gain of ₹ 1.08 crores on disposal of freehold land includes compulsory acquisition of vacant land having gross block value of ₹ 0.15 crores by the National Highway Authority of India (NHAI) for a consideration of ₹ 1.23 crores.

B. Right of Use Assets			₹ crores
Description	Land	Total	
Cost			
Balance as at 1st April, 2020	36.44	36.44	
Additions	1.98	1.98	
Balance as at 31st March, 2021	38.42	38.42	
Accumulated depreciation and impairment			
Balance as at 1st April, 2020	1.77	1.77	
Depreciation Expense	1.75	1.75	
Balance as at 31st March, 2021	3.52	3.52	
Net carrying amount			
As at 31st March, 2021	34.90	34.90	
As at 31st March, 2020	34.67	34.67	

B. Right of Use Assets			₹ crores
Description	Land	Total	
Cost			
Balance as at 1st April, 2019	-	-	
Additions	-	-	
Transition impact of Ind AS 116	36.44	36.44	
Balance as at 31st March, 2020	36.44	36.44	
Accumulated depreciation and impairment			
Balance as at 1st April, 2019	-	-	
Depreciation Expense	1.77	1.77	
Balance as at 31st March, 2020	1.77	1.77	
Net carrying amount			
As at 31st March, 2020	34.67	34.67	
As at 31st March, 2019	-	-	



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8. Goodwill

	As at 31st March, 2021 ₹ crores	As at 31st March, 2020 ₹ crores
Cost		
Balance at beginning of year	12.32	12.32
<i>Less: Impairment during the year</i>	-	-
Balance at end of year	12.32	12.32

The Group tests goodwill annually for impairment. Acquired Subsidiaries like Dreisatz Mysolar24 Private Limited, Solarsys Renewable Energy Private Limited, Northwest Energy Private Limited, MI Mysolar24 Private Limited and Walwhan Solar Raj Limited, to which goodwill relate have been identified as Cash Generating Units. Cash flow projections are based on financial budgets covering contracted power sale agreements with procurers. The Management believes that any reasonably possible change in the key assumptions on which recoverable amount is based would not cause the aggregate carrying amount to exceed the aggregate recoverable amount of the Goodwill.

The key assumptions used in the value in use calculations for the power cash-generating unit are as follows:

Continuity of PPA

Most of the projects have an aligned and secured power purchase agreement (PPA) of 25 years, which would be majority of estimated life of respective plant. The PPAs guarantee steady cash flow to the Group through fixed tariff over the useful life of assets.

O&M cost inflation

Operation and maintenance cost for the project period has been extrapolated by using a steady 4% per annum growth rate.

Weighted average cost of capital (WACC)

8.86% pre-tax discount rate has been computed based on the current cost of borrowings and equity rate of return in line with the current market expectation.

Plant load factor (PLF)

Plant load factor is estimated for each CGU based on past trend of PLF and expected PLF in future years



9. 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.

Amortisation of intangible assets

Intangible assets with finite lives are amortised over the useful economic life on straight line basis 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
Power Purchase Agreement (PPA)	25 years

Description	₹ crores		
	Computer Software	Power Purchase Agreement (PPA)	Total
Cost			
Balance as at 1st April, 2020	4.22	26.60	30.82
Additions	0.09	-	0.09
Balance as at 31st March, 2021	4.31	26.60	30.91
Accumulated amortisation and impairment			
Balance as at 1st April, 2020	1.63	4.73	6.36
Amortisation expense	0.81	1.31	2.12
Balance as at 31st March, 2021	2.44	6.04	8.48
Net carrying amount			
As at 31st March, 2021	1.87	20.56	22.43
As at 31st March, 2020	2.59	21.87	24.46

Description	₹ crores		
	Computer Software	Power Purchase Agreement (PPA)	Total
Cost			
Balance as at 1st April, 2019	4.22	26.60	30.82
Additions	-	-	-
Balance as at 31st March, 2020	4.22	26.60	30.82
Accumulated amortisation and impairment			
Balance as at 1st April, 2019	0.82	3.42	4.24
Amortisation expense	0.81	1.31	2.12
Balance as at 31st March, 2020	1.63	4.73	6.36
Net carrying amount			
As at 31st March, 2020	2.59	21.87	24.46
As at 31st March, 2019	3.40	23.18	26.58

Depreciation/Amortisation:

	For the year ended 31st March, 2021 ₹ crores	For the year ended 31st March, 2020 ₹ crores
Depreciation on tangible assets	283.69	290.87
Depreciation of Right of Use Assets	1.75	1.77
Amortisation on intangible assets	2.12	2.12
Total	287.56	294.76



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10. Other Investments

	As at 31st March, 2021 Quantity	As at 31st March, 2020 Quantity	Face Value (in ₹ unless stated otherwise)	As at 31st March, 2021 ₹ crores	As at 31st March, 2020 ₹ crores
I Investments in equity shares					
(a) Investment in Equity Shares fully Paid-up					
Unquoted					
Saraswat Bank	2,500	2,500	10	0.00	0.00
SVC Co-operative Bank Limited	50	50	25	0.00	0.00
				0.00	0.00

* The total amount is ₹ 26,250/- which is approx. fair value of investment.

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11. Trade Receivables

(Unsecured unless otherwise stated)
(At Amortised Cost)

	As at 31st March, 2021 ₹ crores	As at 31st March, 2020 ₹ crores
Trade Receivables (Refer note 11.1)	760.44	960.38
	760.44	960.38
Break-up for security details		
Trade receivables		
Unsecured, considered good	760.44	960.38
Trade Receivables - credit impaired	1.87	1.87
	762.31	962.25
Impairment Allowance (allowance for bad and doubtful debts)		
Trade Receivables - credit impaired	(1.87)	(1.87)
	(1.87)	(1.87)
	760.44	960.38
Non-current Trade Receivables		
Considered Good - Unsecured	276.68	-
	276.68	-
Current Trade Receivables		
Considered Good - Unsecured	483.76	960.38
Credit Impaired	1.87	1.87
	485.63	962.25
Less: Allowance for Doubtful Trade Receivables	1.87	1.87
	483.76	960.38

The average credit period is 30 to 90 days in respect of receivables pertaining to sale of power. No interest is charged on trade receivables from date of receipt of invoice by customers till the end of the credit period defined in the Power Purchase Agreement (PPA). Thereafter, interest is charged at the rates prescribed under the PPA on the outstanding balance but this interest is recognised upon an assessment of certainty of realisation.

11.1 Trade Receivables

The aging of trade receivables at the end of reporting period is as follows:

	As at 31st March, 2021 ₹ crores	As at 31st March, 2020 ₹ crores
Within the credit period	99.67	122.63
1-90 days past due	122.98	128.73
91-182 days past due	64.49	136.66
More than 182 days past due	475.17	574.23
	762.31	962.25



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Movement in the allowance for doubtful trade receivables

	As at 31st March, 2021 ₹ crores	As at 31st March, 2020 ₹ crores
Balance at the beginning of the year	1.87	1.87
Add: Expected credit losses for the year	-	-
Add/ (Less): Specific allowance on trade receivables for the year*	-	-
Balance at the end of the year	1.87	1.87

*The concentration of credit risk is very limited due to the fact that the large customers are mainly government entities. Considering this, terms of PPA and past history, the Group has concluded that no ECL allowance needs to be recognised for overdue receivables.

11.2 The carrying amounts of the trade receivables include receivables amounting to ₹ 80.17 crores (31st March 2020: ₹ 299.79 crores) and ₹ 83.28 crores (31st March 2020: ₹ 86.03 crores) from Tamilnadu Generation and Distribution Corporation Limited and Jaipur Vidyut Vitran Nigam Limited, respectively, which are subject to a 'bill discounting arrangement'. Under this arrangement, the Group 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 Group has retained late payment and credit risk. The Group 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/ secured borrowing having recourse to the Group and interest liability on amount of bill discounted is borne by the customer. The maturity period of the transfer is 6 to 9 months from the date of discounting.

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12. Loans

(Unsecured unless otherwise stated)

	As at 31st March, 2021 ₹ crores	As at 31st March, 2020 ₹ crores
Non-current		
(At Amortised Cost)		
(i) Security Deposits		
Considered Good - Unsecured	0.91	0.94
Credit Impaired	-	0.06
	<u>0.91</u>	<u>1.00</u>
Less: Impairment Allowance for bad and doubtful deposits	-	0.06
	<u>0.91</u>	<u>0.94</u>
	<u>0.91</u>	<u>0.94</u>
Current		
(At Amortised Cost)		
(i) Security Deposits		
Considered Good - Unsecured	0.90	6.19
Credit Impaired	-	0.01
	<u>0.90</u>	<u>6.20</u>
Less: Impairment Allowances for Bad and Doubtful Deposits	-	0.01
	<u>0.90</u>	<u>6.19</u>
(ii) Loans to Related Parties		
Considered Good - Unsecured	562.25	97.95
	<u>562.25</u>	<u>97.95</u>
	<u>563.15</u>	<u>104.14</u>



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13. Other Financial Assets

	As at 31st March, 2021 ₹ crores	As at 31st March, 2020 ₹ crores
Non-current (At Amortised Cost)		
(i) Receivables under Service Concession Agreement	194.45	198.23
(ii) Deferred Revenue Asset	104.47	95.34
(iii) Others		
Unsecured, considered good		
In Deposit Accounts (with maturity more than twelve months)	0.08	0.08
	299.00	293.65
Current (At Amortised Cost)		
(i) Accruals		
Unsecured, considered good		
Interest Accrued on Bank Deposits	0.23	0.21
Interest Accrued on Loans to Related Parties	9.35	0.33
	9.58	0.54
(ii) Receivables under Service Concession Agreement	4.08	2.88
(iii) Others		
Unsecured, considered good		
Insurance Claims Receivable	-	0.04
Other Advances	0.06	5.43
Unsecured, considered doubtful		
Credit impaired	-	0.35
Less: Impairment Allowances for Bad and Doubtful Advances	-	0.35
	0.06	5.47
	13.72	8.89

14. Tax Assets

Non-current Tax Assets
Advance Income-tax (Net)

	As at 31st March, 2021 ₹ crores	As at 31st March, 2020 ₹ crores
Advance Income-tax (Net)	28.33	57.57
	28.33	57.57



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15. Deferred Tax

Accounting Policy

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated 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 is not a business combination and affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

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

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

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

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

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

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

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

	As at 31st March, 2021 ₹ crores	As at 31st March, 2020 ₹ crores
Net Deferred Tax Assets	48.94	54.49
Net Deferred Tax Liabilities	184.38	146.85

Deferred Tax Assets

	As at 31st March, 2021 ₹ crores	As at 31st March, 2020 ₹ crores
Deferred Tax Assets	143.49	184.43
Deferred Tax Liabilities	94.55	129.94
Total - Net Deferred Tax Assets	48.94	54.49



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15. Deferred Tax (Contd.)

2020-21	Opening Balance	Recognised in Profit or Loss	Closing Balance
Deferred Tax Assets in relation to:			
Carry Forward Losses	74.18	(67.58)	6.60
MAT Credit Entitlement	74.84	18.99	93.83
Deferred revenue as per Ind AS 115	35.41	7.65	43.06
	184.43	(40.94)	143.49
Deferred Tax Liabilities in relation to:			
Property, Plant and Equipment	129.94	(35.39)	94.55
	129.94	(35.39)	94.55
Net Deferred Tax Assets	54.49	(5.55)	48.94

2019-20	Opening Balance	Recognised in Profit or Loss	Closing Balance
Deferred Tax Assets in relation to:			
Carry Forward Losses	153.47	(79.29)	74.18
MAT Credit Entitlement	101.32	(26.48)	74.84
Deferred revenue as per Ind AS 115	25.63	9.78	35.41
	280.42	(95.99)	184.43
Deferred Tax Liabilities in relation to:			
Property, Plant and Equipment	197.29	(67.35)	129.94
Service concession arrangement	2.28	(2.28)	-
	199.57	(69.63)	129.94
Net Deferred Tax Assets	80.85	(26.36)	54.49

Deferred Tax Liabilities

	As at 31st March, 2021 ₹ crores	As at 31st March, 2020 ₹ crores
Deferred Tax Assets	186.53	126.95
Deferred Tax Liabilities	370.91	273.80
Total - Net Deferred Tax Liabilities	184.38	146.85

2020-21	Opening Balance	Recognised in Profit or Loss	Closing Balance
Deferred tax assets in relation to			
Carry Forward Losses	60.03	41.53	101.56
MAT Credit Entitlement	66.92	18.05	84.97
	126.95	59.58	186.53
Deferred tax liabilities in relation to			
Property, Plant and Equipments	245.03	93.06	338.09
Service concession arrangement	4.24	1.76	6.00
Deferred revenue as per Ind AS 115	24.00	2.30	26.30
Intangibles assets	0.53	(0.01)	0.52
	273.80	97.11	370.91
Net Deferred Tax Liabilities	146.85	37.53	184.38



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15. Deferred Tax (Contd.)

2019-20	Opening Balance	Recognised in Profit or Loss	Closing Balance
Deferred Tax Assets in relation to :			
Carry Forward Losses	-	60.03	60.03
MAT Credit Entitlement	115.37	(48.45)	66.92
Goodwill	7.49	(7.49)	-
	122.86	4.09	126.95
Deferred Tax Liabilities in relation to:			
Property, Plant and Equipments	137.25	107.78	245.03
Service concession arrangement	-	4.24	4.24
Deferred revenue as per Ind AS 115	18.07	5.93	24.00
Intangibles assets	8.03	(7.50)	0.53
	163.35	110.45	273.80
Net Deferred Tax Liabilities	40.49	106.36	146.85

Reconciliation of Deferred Tax Expense amount recognised in profit or loss

	Recognised in profit or loss	
	For the year ended 31st March, 2021 ₹ crores	For the year ended 31st March, 2020 ₹ crores
Deferred Tax Assets (Net)		
Net (increase)/ decrease in Deferred Tax Assets	5.55	26.36
Deferred Tax Liabilities (Net)		
Net increase/ (decrease) in Deferred Tax Liabilities	37.53	106.36
Deferred Tax Expense (Net)	43.08	132.72



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16. Other Assets

	As at 31st March, 2021 ₹ crores	As at 31st March, 2020 ₹ crores
Non-current		
(i) Capital Advances		
Unsecured, considered good	-	0.04
Credit impaired	-	0.04
	-	0.08
Less: Impairment Allowance for Bad and Doubtful Advances	-	0.04
	-	0.04
(ii) Balances with Government Authorities		
Unsecured, considered good		
Amount Paid Under Protest	0.09	0.09
	0.09	0.09
(iii) Others		
Unsecured, considered good		
Prepaid Expenses	0.07	0.09
	0.07	0.09
	0.16	0.22
Current		
(i) Balances with Government Authorities		
Unsecured, considered good		
Advances	0.67	0.34
VAT/ Sales Tax Receivable	0.03	0.02
	0.70	0.36
(ii) Other Loans and Advances		
Unsecured, considered good		
Prepaid Expenses	0.06	0.07
Advances to Vendors	0.28	0.76
Other Advances	0.09	0.16
Credit impaired	-	1.55
	0.43	2.54
Less: Impairment Allowance for Bad and Doubtful Advances	-	1.55
	0.43	0.99
	1.13	1.35



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17. 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.

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.

	As at 31st March, 2021 ₹ crores	As at 31st March, 2020 ₹ crores
Inventories (valued at lower of cost and net realisable value)		
(a) Stores and Spares		
Stores and Spare Parts	14.02	16.95
(b) Loose Tools	0.10	0.07
	14.12	17.02



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18. Current Investments

	As at 31st March, 2021 Quantity	As at 31st March, 2020 Quantity	As at 31st March, 2021 ₹ crores	As at 31st March, 2020 ₹ crores
Investments carried at Fair Value through Profit and Loss				
(a) Investment in Mutual Funds (quoted)				
Tata Liquid Fund- Direct Plan - Growth	74,613.14	1,91,106.08	24.08	59.86
Invesco India Liquid Fund - Direct Plan Growth	-	1,47,597.79	-	40.27
DSP Liquidity Fund - Direct Plan - Growth	55,800.00	1,27,225.49	16.41	36.14
Nippon India Liquid Fund - Direct Plan- Growth	16,439.62	-	8.27	-
JM Liquid Fund - (Direct) Growth Option	-	16,56,808.66	-	9.00
SBI Liquid Fund - Direct Plan - Growth	54,201.37	-	17.46	-
Aditya Birla Sun Life Liquid Fund - Growth-Direct Plan	1,17,226.82	8,69,222.33	3.89	27.78
			70.11	173.05
Total			70.11	173.05

Notes:

1. Aggregate Market Value of Quoted Investments	70.11	173.05
2. Aggregate Carrying Value of Quoted Investments	70.11	173.05
3. Aggregate Carrying Value of Unquoted Investments	-	-

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19. 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 Group's cash management.

	As at 31st March, 2021 ₹ crores	As at 31st March, 2020 ₹ crores
(i) Balances with Banks:		
In Current Accounts	81.54	37.00
In Deposit Accounts (with original maturity less than three months)	-	71.81
Cash and Cash Equivalents as per Balance Sheet	81.54	108.81
Cash and Cash Equivalents as per Statement of Cash Flows	81.54	108.81

Reconciliation of liabilities from Financing Activities

Particulars	As at 1st April, 2020	Cash flows		Foreign Exchange	Others	As at 31st March, 2021
		Proceeds	Repayment			
	₹ crores	₹ crores	₹ crores	₹ crores	₹ crores	₹ crores
Non-current Borrowings (including Current Maturity of Non-current Borrowings)	4,440.82	-	(406.35)	-	2.81	4,037.28
Current Borrowings (excluding Bank Overdraft)	678.18	987.61	(1,111.28)	-	7.89	562.40
Lease Liabilities	3.57	-	(0.31)	-	0.32	3.58
Total	5,122.57	987.61	(1,517.94)	-	11.02	4,603.26

Particulars	As at 1st April, 2019	Cash flows		Foreign Exchange	Others	As at 31st March, 2020
		Proceeds	Repayment			
	₹ crores	₹ crores	₹ crores	₹ crores	₹ crores	₹ crores
Non-current Borrowings (including Current Maturity of Non-current Borrowings)	1,932.81	174.12	(974.13)	5.39	2.63	4,440.82
Current Borrowings (excluding Bank Overdraft)	40.00	1,697.71	(1,067.59)	-	8.06	678.18
Lease Liabilities	-	-	(0.31)	-	3.88	3.57
Total	4,972.81	2,171.83	(2,042.03)	5.39	14.57	5,122.57

20. Other Balances with Banks

	As at 31st March, 2021 ₹ crores	As at 31st March, 2020 ₹ crores
(a) In Earmarked Accounts (Non current deposits kept as margin money against borrowings)	11.25	14.05
	11.25	14.05



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21. Share Capital

	As at 31st March, 2021		As at 31st March, 2020	
	Number	₹ crores	Number	₹ crores
Authorised				
Equity Shares of ₹ 10/- each	88,15,30,800	881.53	88,15,30,800	881.53
Compulsory Convertible Preference Share ("CCPS") of ₹ 45.4956 each	7,00,00,000	318.47	7,00,00,000	318.47
Compulsory Convertible Preference Share ("CCPS") of ₹ 10 each	50,00,00,000	500.00	50,00,00,000	500.00
		<u>1,700.00</u>		<u>1,700.00</u>
Issued				
Equity shares of ₹ 10 each	61,13,55,942	611.36	61,13,55,942	611.36
Subscribed and Paid-up				
Equity shares of ₹ 10 each	61,13,55,942	611.36	61,13,55,942	611.36
Total Issued, Subscribed and fully Paid-up Share Capital		<u>611.36</u>		<u>611.36</u>

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

	As at 31st March, 2021		As at 31st March, 2020	
	Number	₹ crores	Number	₹ crores
Equity Shares				
At the beginning of the year	61,13,55,942	611.36	61,13,55,942	611.36
Issued during the year	-	-	-	-
Outstanding at the end of the year	<u>61,13,55,942</u>	<u>611.36</u>	<u>61,13,55,942</u>	<u>611.36</u>

(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 Group, 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 and details of share held by the holding company & its subsidiaries

	As at 31st March, 2021		As at 31st March, 2020	
	Number	% Holding	Number	% Holding
Equity Shares of ₹ 10/- each fully paid				
Tata Power Renewable Energy Limited "TPREL" "the holding company" (including 6 equity shares held by nominee shareholders on behalf of TPREL)	61,13,55,942	100.00	61,13,55,942	100.00

(iv) Details of share held by the holding company & its subsidiaries

	As at 31st March, 2021		As at 31st March, 2020	
	Number		Number	
Equity Shares of ₹ 10/- each fully paid				
Tata Power Renewable Energy Limited "TPREL" "the holding company" (including 6 equity shares held by nominee shareholders on behalf of TPREL)	61,13,55,942		61,13,55,942	



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22. Other Equity

	As at 31st March, 2021 ₹ crores	As at 31st March, 2020 ₹ crores
Securities Premium		
Opening Balance	1,108.54	1,108.54
Add: Share Premium collected during the year	-	-
Closing Balance	1,108.54	1,108.54
Debenture Redemption Reserve (DRR)		
Opening Balance	100.00	100.00
Add: Amount transferred from Retained Earnings	-	-
Closing Balance	100.00	100.00
Capital Reserve		
Opening Balance	26.74	26.74
Add: Movement during the year	-	-
Closing Balance	26.74	26.74
Retained Earnings		
Opening balance	449.71	268.20
Add: Profit for the year	319.92	182.76
Add/ Less: Other Comprehensive Income/ (Expense) arising from Remeasurement of Defined Benefit Obligation (Net of Tax)	0.37	(1.25)
Less: Other Appropriations: Payment of Dividend	(20.17)	-
	300.12	181.51
Closing Balance	749.83	449.71
Equity Contribution- Financial guarantee		
Opening Balance	3.94	3.94
Add: Addition during the year	-	-
Closing Balance	3.94	3.94
Total	1,989.05	1,688.93

Nature and purpose of reserves

Securities Premium

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

Debenture Redemption Reserve

The Holding Company was required to create a Debenture Redemption Reserve out of the profits which are available for payment of dividend for the purpose of redemption of debentures. Pursuant to Companies (Share Capital and Debentures) Amendment Rules, 2019 dated 16th August, 2019, the Holding Company is not required to create Debenture Redemption Reserve (DRR). Accordingly, the Holding Company has not created DRR during the year and DRR created till previous years will be transferred to retained earnings on redemption of debentures.

Capital Reserve

Capital Reserve consists of lesser amount paid for acquisition of share in Walwhan Solar MP Limited, Walwhan Wind RJ Limited, Walwhan Energy GJ Limited, Walwhan Urja Anjar Limited and Walwhan Urja India Limited. The amount is not available for distribution as dividend.

Retained Earnings

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

Equity Contribution on financial guarantee

Equity contribution on financial guarantee pertains to financial guarantee given by The Tata Power Company Limited for issue of Non Convertible Debentures in Walwhan Renewable Energy Limited (WREL). The amount taken on the basis of valuation for benefit given by The Tata Power Company Limited to WREL in the form of guarantee.



Notes to the Consolidated Financial Statements

23. Non-current Borrowings

	As at 31st March, 2021		As at 31st March, 2020	
	Non-current ₹ crores	Current maturities * ₹ crores	Non-current ₹ crores	Current maturities * ₹ crores
(i) Unsecured - At Amortised Cost				
Debentures				
Redeemable Non-Convertible Debentures	-	1,198.80	1,197.36	-
	-	1,198.80	1,197.36	-
(ii) Secured - At Amortised Cost				
Term Loans				
From Banks	2,231.45	195.43	2,461.29	215.03
From Others	402.92	8.68	559.05	8.09
	2,634.37	204.11	3,020.34	223.12
Total	2,634.37	1,402.91	4,217.70	223.12

* Amount disclosed under Other Current Financial Liabilities (Refer Note 25)

Security and interest rate terms of borrowings

Secured - at amortised cost

(a) Term loan from banks

Secured term loans availed by various entities of the group from banks are secured by pari pasu charge on all present and future movable, immovable assets, intangibles, uncalled capital, receivables of the borrowing company / identified subsidiary companies, current assets, rights under project documents, project cash flow and accounts including DSRA accounts (wherever applicable) of the respective entities and some of them are additionally secured by pledge of shares of subsidiaries held by their respective holding companies, minimum shareholding undertaking and corporate guarantee by The Tata Power Company Limited and/ or Tata Power Renewable Energy Limited.

(b) Term loans from financial institutions

Secured term loans availed from financial institutions are secured by pari pasu charge on all present and future movable, immovable assets, intangibles, uncalled capital, receivables, current assets, rights under project documents, project cash flow and accounts including DSRA accounts of the respective entities and some of them are additionally secured by pledge of shares of subsidiaries held by their respective holding companies, minimum shareholding undertaking and conditional corporate guarantee of The Tata Power Company Limited.

Unsecured - at amortised cost

(a) Non-Convertible Debentures

8% Compulsorily Redeemable Non Convertible Debentures are guaranteed by The Tata Power Company Limited.

Notes:

A. Range of interest rates for:

1. Redeemable Non-Convertible Debentures - 8%
2. Term loan from banks - 7.40% to 9.05%
3. Term loan from others - 7.50% to 8.72%



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23. Non-current Borrowings (Contd.)

Terms of Repayment for FY 2021		₹ crores						
Particulars	Amount Outstanding as at 31st March, 2021	Financial Year						
		FY 21-22	FY 22-23	FY 23-24	FY 24-25	FY 25-26	FY 27-31	FY 31-32 and onwards
(i) Unsecured - At Amortised Cost								
(a) Redeemable Non-Convertible Debentures	1,200.00	1,200.00	-	-	-	-	-	-
(ii) Secured - At Amortised Cost								
Term Loans								
From Banks	2,434.94	195.43	197.23	168.93	168.83	168.37	834.83	701.32
From Others	413.14	8.68	39.48	39.68	39.88	40.08	227.98	17.36
	4,048.08	1,404.11	236.71	208.61	208.71	208.45	1,062.81	718.68
Less: Impact of recognition of borrowing at amortised cost using effective interest method under Ind AS	(10.80)							
	4,037.28							



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24. Leased Liabilities

Accounting Policy

At inception of contract, the Group assesses whether the Contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. At inception or on reassessment of a contract that contains a lease component, the Group allocates consideration in the contract to each lease component on the basis of their relative stand alone price.

As a lessee

i) Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease. Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, lease payments made at or before the commencement date less any lease incentives received and estimate of costs to dismantle. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

- Land - 20 to 95 years

The Group presents right-to-use assets that do not meet the definition of investment property in 'Property, plant and equipment'.

ii) Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. In calculating the present value of lease payments, the Group generally uses its incremental borrowing rate at the lease commencement date if the discount rate implicit in the lease is not readily determinable.

After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. The carrying amount is remeasured when there is a change in future lease payments arising from a change in index or rate. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments or a change in the assessment of an option to purchase the underlying asset.

The Group presents lease liabilities in "financial liabilities" in the Balance Sheet as separate line item.

iii) Short term leases and leases of low value of assets

The Group applies the short-term lease recognition exemption to its short-term leases. It also applies the lease of low-value assets recognition exemption that are considered to be low value. Lease payments on short-term leases and leases of low value assets are recognised as expense on a straight-line basis over the lease term.

Lessee

The Group has lease contracts for various items of land used in its operations. Leases of land generally have lease terms between 20 and 95 years. Generally, the Group is restricted from assigning and subleasing the leased assets.

Amount recognised in the Statement of Profit and Loss	Classified Under	₹ crores	
		For the year ended 31st March, 2021	For the year ended 31st March, 2020
Depreciation of Right-of-use assets	Depreciation	1.75	1.77
Interest on lease liabilities	Finance Cost	0.32	0.32
Expenses related to short term leases	Other Expenses	1.20	0.45

Refer Note 7B for additions to Right-Of-Use Assets and the carrying amount of right of use assets as at 31st March, 2021. For maturity analysis Refer note 39.4.3

Amount recognised in the Statement of Cash Flows	₹ crores	
	For the year ended 31st March, 2021	For the year ended 31st March, 2020
Total cash outflow of leases	0.31	0.31

Carrying amount of lease liabilities

Non-current

(i) Leased Liabilities

	As at 31st March, 2021 ₹ crores	As at 31st March, 2020 ₹ crores
	3.58	3.57
	3.58	3.57



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25. Other Financial Liabilities

Current

(At Amortised Cost)

	As at 31st March, 2021 ₹ crores	As at 31st March, 2020 ₹ crores
(a) Current Maturities of Long-term Debt	1,402.91	223.12
(b) Interest accrued but not due on Borrowings-Others	28.88	33.16
(c) Payables for Capital Supplies and Services	11.16	13.30
	1,442.95	269.58

26. Tax Liabilities

Current Tax Liabilities

Income-tax Payable

Total

	As at 31st March, 2021 ₹ crores	As at 31st March, 2020 ₹ crores
	0.04	3.45
	0.04	3.45



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27. Provisions

Accounting Policy

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

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

Defined contribution plans

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

Defined benefits plans

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

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

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

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

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

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

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

Current and other non-current employee benefits

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

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

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



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	As at 31st March, 2021 ₹ crores	As at 31st March, 2020 ₹ crores
Non-current		
Provision for Employee Benefits		
Compensated Absences	1.63	1.45
Gratuity (Net) [Refer note 27 (2.3)]	3.11	3.10
Post-Employment Medical Benefits [Refer note 27 (2.3)]	0.32	0.33
Other Defined Benefit Plans [Refer note 27 (2.3)]	0.17	0.19
Other Employee Benefits	0.07	0.07
Total	5.30	5.14
Current		
Provision for Employee Benefits		
Compensated Absences	0.07	0.06
Gratuity (Net) [Refer note 27 (2.3)]	0.12	0.11
Other Defined Benefit Plans [Refer note 27 (2.3)]	0.02	0.02
Total	0.21	0.19

Notes:

- Provision for employee benefits includes provision for gratuity, post-employment, medical benefits, pension (including Director pension), ex-gratia death benefit and retirement gift.

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27. Provisions (Contd.)

Employee benefit plan

1. Defined Contribution plan

The Group makes Provident Fund and Superannuation Fund contributions to defined contribution plans for eligible employees. Under the schemes, the Group is required to contribute a specified percentage of the payroll costs. The provident fund contributions as specified under the law are paid to the Government approved provident fund trust or statutory provident fund authorities. The Group has no obligation, other than the contribution payable to the respective fund. The Group recognizes such contribution payable to the respective fund scheme as an expense, when an employee renders the related service.

The Group has recognised ₹ 0.48 crores (31st March, 2020 - ₹ 0.51 crores) for provident fund contributions and ₹ 0.14 crores (31st March, 2020 - ₹ 0.14 crores) for superannuation contributions to superannuation Fund Trust managed by Ultimate Parent Company in the Statement of Profit and Loss. The contributions payable to these plans by the Group are at rates specified in the rules of the schemes.

2. Defined benefit plans

2.1 The Group operates the following unfunded defined benefit plans:

Provident Fund

The holding Company makes Provident Fund contributions to defined benefit plans for eligible employees. Under the scheme, the Holding Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The contributions as specified under the law are paid to the provident fund set up as a trust by the Ultimate Parent Company. The Holding Company is generally liable for annual contributions and any shortfall in the fund assets based on the government specified minimum rates of return and recognises such contributions and shortfall, if any, as an expense in the year it is incurred. Having regard to the assets of the fund and the return on the investments, the Ultimate Parent Company does not expect any shortfall in the foreseeable future.

Particulars

Contribution made during the year to PF trust (₹ crores)

31st March, 2021

31st March, 2020

0.16

0.20

Unfunded:

Post Employment Medical Benefits

The Group provides certain post-employment health care benefits to superannuated employees at some of its locations. In terms of the plan, the retired employees can avail free medical check-up and medicines at Group's facilities.

Pension (including Director pension)

The Group operates a defined benefit pension plan for employees who have completed 15 years of continuous service. The plan provides benefits to members in the form of a pre-determined lump sum payment on retirement. Executive Director, on retirement, is entitled to pension payable for life including HRA benefit. The level of benefit is approved by the Board of Directors of the Group from time to time.

Ex-Gratia Death Benefit

The Group has a defined benefit plan granting ex-gratia in case of death during service. The benefit consists of a pre-determined lump sum amount along with a sum determined based on the last drawn basic salary per month and the length of service.

Retirement Gift

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

Gratuity

The Group has a defined benefit gratuity plan. The gratuity plan is primarily governed by the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of five years are eligible for gratuity. The level of benefits provided depends on the member's length of service and salary at the retirement date. The gratuity plan is a combination of funded plan and unfunded plan for various companies in the Group. In case of funded plan, the fund has the form of a trust and is governed by Trustees appointed by the Group. The Trustees are responsible for the administration of the plan assets and for the definition of the investment strategy in accordance with the regulations. The funds are deployed in recognised insurer managed funds in India.

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

Valuation as at

Discount Rate
 Salary Growth Rate
 - Management
 - Non-Management

Turnover Rate

Turnover Rate - Age 21 to 44 years
 - Management
 - Non-Management

Turnover Rate - Age 45 years and above
 - Management
 - Non-Management

Mortality Table

31st March, 2021

31st March, 2020

6.60%

6.50%

7.00%

7.00%

5.00%

5.00%

6.00%

6.00%

0.50%

0.50%

2.00%

2.00%

0.50%

0.50%

Indian Assured Lives
 Mortality (2006-08)
 (modified) Ult

Indian Assured Lives
 Mortality (2006-08)
 (modified) Ult



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27. Provisions (Contd.)

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

Unfunded Plan - Gratuity and Other Defined Benefit Plans:

	Gratuity	Other Defined Benefit Plans
	Amount ₹ crores	Amount ₹ crores
Balance as at 1st April, 2019	2.28	0.52
Current service cost	0.31	0.14
Past service cost	-	0.10
Interest Cost/(Income)	0.16	0.05
Amount recognised in Statement of Profit and Loss	0.47	0.29
<u>Remeasurement (gains)/ losses</u>		
Actuarial (gains)/ losses arising from changes in demographic assumptions	0.03	(0.08)
Actuarial (gains)/ losses arising from changes in financial assumptions	0.26	0.07
Actuarial (gains)/ losses arising from experience	1.14	(0.18)
Amount recognised in Other Comprehensive Income	1.43	(0.19)
Benefits paid	(0.16)	(0.02)
Acquisitions credit/ (cost)	(0.81)	(0.06)
Balance as at 31st March, 2020	3.21	0.54
Balance as at 31st March, 2020	3.21	0.54
Current service cost	0.29	0.06
Past service cost	-	-
Interest Cost/ (Income)	0.21	0.04
Amount recognised in Statement of Profit and Loss	0.50	0.10
<u>Remeasurement (gains)/ losses</u>		
Actuarial (gains)/ losses arising from changes in demographic assumptions	-	-
Actuarial (gains)/ losses arising from changes in financial assumptions	(0.03)	(0.01)
Actuarial (gains)/ losses arising from experience	(0.21)	(0.12)
Amount recognised in Other Comprehensive Income	(0.24)	(0.13)
Benefits paid	(0.05)	-
Acquisitions credit/ (cost)	(0.19)	-
Balance as at 31st March, 2021	3.23	0.51



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27. Provisions (Contd.)

2.4 Sensitivity analysis

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

	Change in assumption		Increase in assumption		Decrease in assumption			
	31st March, 2021	31st March, 2020	31st March, 2021	31st March, 2020	31st March, 2021	31st March, 2020		
	₹ crores	₹ crores	₹ crores	₹ crores	₹ crores	₹ crores		
Discount rate	0.50%	0.50%	Decrease by	0.19	0.20	Increase by	0.21	0.22
Salary/Pension growth rate	0.50%	0.50%	Increase by	0.16	0.17	Decrease by	0.15	0.16
Withdrawal rates/ Claim rates	5%	5%	Decrease by	0.30	0.27	Decrease by	-	-
Mortality rates	1 year	1 year	Increase by	0.02	0.02	Decrease by	0.02	0.02
Healthcare cost	0.50%	0.50%	Increase by	0.05	0.05	Decrease by	0.04	0.04

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

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

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

	31st March, 2021	31st March, 2020
	₹ crores	₹ crores
Within 1 year	0.14	0.14
Between 1 - 2 years	0.15	0.16
Between 2 - 3 years	0.17	0.17
Between 3 - 4 years	0.71	0.20
Between 4 - 5 years	0.18	0.52
Beyond 5 years	3.32	2.80

2.6 Risk exposure:

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

Asset volatility:

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

Inflation rate risk:

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

Demographic risk:

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



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28. Other Liabilities

Non-current

Deferred Revenue Liability

Total

As at 31st March, 2021 ₹ crores	As at 31st March, 2020 ₹ crores
167.62	141.34
167.62	141.34

Current

Statutory Liabilities

Other Liabilities

Total

As at 31st March, 2021 ₹ crores	As at 31st March, 2020 ₹ crores
10.53	16.43
0.15	0.57
10.68	17.00

29. Current Borrowings

(i) Unsecured - At Amortised Cost

From Banks

(a) Short-term Loans (Refer note below 29.3)

From Others

(a) Commercial Papers (Refer note below 29.1)

Total

As at 31st March, 2021 ₹ crores	As at 31st March, 2020 ₹ crores
127.97	299.79
398.95	292.36
526.92	592.15

(ii) Secured - At Amortised Cost

From Banks

(a) Short-term Loans (Refer note below 29.2)

Total

35.48	86.03
35.48	86.03

Total

562.40	678.18
---------------	---------------

29.1 Terms of commercial papers

31st March, 2021

Walwhan Renewable Energy Limited has outstanding borrowings of ₹ 398.95 crores through issuance of commercial papers. These Commercial papers are unsecured debt, carry interest @ 3.84% p.a.

31st March, 2020

Walwhan Renewable Energy Limited has outstanding borrowings of ₹ 297.79 crores through issuance of commercial papers. These Commercial papers are unsecured debt, carry interest @ 7.53% p.a and was redeemed on 07th August , 2020.

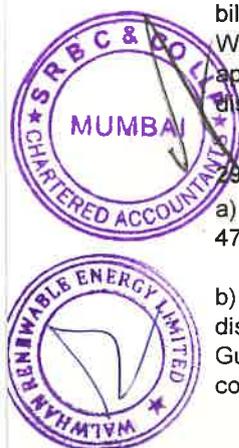
29.2 Term of secured short-term loan

A Subsidiary company of the Group i.e. Walwhan Wind RJ Limited had availed bill discounting facility of ₹ 35.48 crores (previous year ₹ 86.03 crores) which is secured against 1st exclusive charge /assignment over the supply bills discounted and backed by Corporate Guarantee of The Tata Power Company Limited. During the year, Walwhan Wind RJ Limited availed further bill discounting facility of ₹ 12.96 crores and ₹ 35.48 crores. Out of the applicable interest cost, entire interest cost recovered from Jaipur Vidyut Vitran Nigam Limited upfront. Bill discounting facility of ₹ 12.96 crores has been honoured by the Jaipur Vidyut Vitran Nigam Limited on due date.

29.3 Term of unsecured short-term loan

a) The Subsidiary Company of the Group i.e. Walwhan Wind RJ Limited had availed bill discounting facility of ₹ 47.80 crores which is unsecured.

b) The Holding Company and Subsidiary Company of the Group i.e. Walwhan Solar TN Limited had availed bill discounting facility of ₹ 80.17 crores (previous year ₹ 299.79 crores) which is unsecured and backed by Corporate Guarantee of The Tata Power Company Limited (refer note 11.2). Out of the applicable interest cost, interest component has been recovered from Tamilnadu Generation and Distribution Corporation Limited upfront.



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30. Revenue from Operations

Revenue recognition

Accounting Policy

- A. 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 Group expects to be entitled in exchange for those goods or services.**
- (i) **Sale of Power - Generation (Wind and Solar)**
Revenue from sale of power is recognised net of estimated rebates and other similar allowances when the units of electricity is delivered at the contracted rate. The transaction price is adjusted for significant financing component, if any and the adjustment is accounted as finance cost. The group have identified supply of power over the term of PPA as a single performance obligations and is recongnising revenue over time using a single measure of progress.
The Group enters 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 except in cases here the rate per unit is not the same over life of PPA. 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.
- B. 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 Group will meet Ind AS 115 criteria for revenue recognition in respect of delay payment charge only at this stage.
- C. Unbilled revenue**
Unbilled revenue represents services rendered by the Group but not invoiced as at balance sheet date. The Group 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.
- D. 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.**
- E. Financial asset for which loss allowance is measured using lifetime expected credit losses:**
The Group has customers (state government utilities) with capacity to meet the obligations and therefore the risk of default is negligible or nil. Further the management believes that the unimpaired amounts that are past due by more than 30 days continue to be collectible in full, based on historical payment behaviour, extensive analysis of customer credit risk, applicability of delayed payment charges prescribed in the power purchase agreement (PPA) and other related factors. Hence, no impairment loss has been recognised during the reporting periods in respect of trade receivables.



30. Revenue from Operations (Contd.)

	For the year ended 31st March, 2021 ₹ crores	For the year ended 31st March, 2020 ₹ crores
(a) Revenue from Power Supply contract with customers	1,144.40	1,153.77
Less: Rebate/ Discount	(6.54)	(11.42)
	<u>1,137.86</u>	<u>1,142.35</u>
(b) Other Operating Revenue		
Income in respect of Services Rendered	2.88	1.99
Finance income on Service Concession Agreement	36.49	38.62
Compensation income	1.01	4.38
Miscellaneous Revenue	0.54	3.89
Generation based incentive	10.97	11.43
	<u>51.89</u>	<u>60.31</u>
	<u>1,189.75</u>	<u>1,202.66</u>

Details of Revenue from contract with customers

	For the year ended 31st March, 2021 ₹ crores	For the year ended 31st March, 2020 ₹ crores
Revenue from power supply (net of cash discount)	1,137.86	1,142.35
Income in respect of Services Rendered	2.88	1.99
Finance income on Service Concession Agreement	36.49	38.62
Total revenue from contract with customers	1,177.23	1,182.96
Add : Significant financing expense component (net of finance income)	5.72	11.57
Add : Rebate/ Discount	6.54	11.42
Total revenue as per contracted price	1,189.49	1,205.95

Disclosure on Transaction Price - Remaining Performance Obligation

Revenue from Power Supply to be recognised

Within one year	190.40	189.79
Beyond one year	3,285.56	3,466.55
Total	3,475.96	3,656.34

Contract balances

	As at 31st March, 2021 ₹ crores	As at 31st March, 2020 ₹ crores
Contract assets		
Deferred revenue to customers	104.47	95.34
Total Contract assets	104.47	95.34
Contract liabilities		
Deferred revenue from customers	167.62	141.34
Total Contract Liabilities	167.62	141.34
Receivables		
Trade receivables (Gross)	762.31	962.25
Unbilled revenue	138.15	142.41
Less : Allowances for doubtful trade receivable	(1.87)	(1.87)
Net receivables	898.59	1,102.79

Significant changes in the contract assets and the contract liabilities balances during the year are as follows:

	As at 31st March, 2021		As at 31st March, 2020		₹ crores
	Contract Assets	Contract Liabilities	Contract Assets	Contract Liabilities	
Opening Balance	95.34	141.34	81.11	105.47	
Interest income/ (expense) for the year	11.61	17.33	10.28	21.85	
Revenue in respect of earlier years recognized during the year	(2.48)	8.95	3.95	14.97	
Electricity Consumption	-	-	-	(0.95)	
Closing balance	104.47	167.62	95.34	141.34	

Disaggregation of Revenue

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



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31. Other Income

Accounting Policy

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

	For the year ended 31st March, 2021 ₹ crores	For the year ended 31st March, 2020 ₹ crores
(a) Interest Income		
(i) Financial Assets held at Amortised Cost		
Interest on Banks Deposits	2.75	0.77
Interest on Overdue Trade Receivables	4.17	-
Interest on Loans to related party	11.33	1.97
Interest on deferred revenue	11.61	10.28
	<u>29.86</u>	<u>13.02</u>
(ii) Others		
Interest on Income-tax Refund	3.06	2.48
	<u>32.92</u>	<u>15.50</u>
(b) Gain/(Loss) on Investments		
Gain on Sale of Current Investment measured at FVTPL	7.05	5.01
	<u>7.05</u>	<u>5.01</u>
(c) Other Non-operating Income		
Reversal of Impairment Allowance for Doubtful Debts and Advances	2.00	1.30
Miscellaneous revenue	2.21	-
	<u>4.21</u>	<u>1.30</u>
Total	<u>44.18</u>	<u>21.81</u>



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32. Employee Benefits Expense

	For the year ended 31st March, 2021 ₹ crores	For the year ended 31st March, 2020 ₹ crores
Salaries and Wages	12.73	16.85
Contribution to Provident Fund [Refer note 27(1)]	0.48	0.51
Contribution to Superannuation Fund [Refer note 27(1)]	0.14	0.14
Gratuity [Refer note 27(2.3)]	0.52	0.48
Leave Encashment Scheme	0.59	0.78
Pension	0.25	0.25
Staff Welfare Expenses	1.31	1.13
Total	16.02	20.14

33. Finance Costs

Accounting Policy

Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in statement of profit and loss in the period in which they are incurred.

	For the year ended 31st March, 2021 ₹ crores	For the year ended 31st March, 2020 ₹ crores
(a) Interest Expense:		
On Borrowings (Carried at Amortised Cost)		
Interest on Debentures	97.18	97.70
Interest on commercial paper	7.90	8.06
Interest on Loans - Banks & Financial Institutions	261.32	314.20
Interest on borrowings from related parties	3.05	1.82
Others		
Other Interest and Commitment Charges	0.32	0.32
	369.77	422.10
(b) Other Borrowing Cost:		
Other Finance Costs	3.52	3.35
Interest on deferred revenue	17.33	21.85
Foreign Exchange Loss/(Gain) on Borrowings (Net)	-	(0.07)
	20.85	25.13
	390.62	447.23



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34. Other Expenses

	For the year ended 31st March, 2021 ₹ crores	For the year ended 31st March, 2020 ₹ crores
Consumption of Stores, Oil, etc.	1.03	1.83
Rental of Buildings and Plant and Equipment	0.25	0.44
Repairs and Maintenance -		
(i) To Buildings and Civil Works	0.82	1.82
(ii) To Machinery and Hydraulic Works	34.32	31.61
(iii) To Furniture, Vehicles, etc.	0.73	0.38
	35.87	33.81
Rates and Taxes	3.29	2.66
Insurance	7.83	2.94
Other Operation Expenses	24.11	24.57
Travelling and Conveyance Expenses	2.16	2.74
Consultants' Fees	2.72	3.05
Auditors' Remuneration [Refer note (i)]	1.73	1.39
Cost of Services Procured	28.34	27.77
Net (Gain)/Loss on Foreign Exchange	0.01	-
Legal Charges	1.45	1.56
Corporate Social Responsibility Expenses [Refer note (ii)]	7.12	5.34
Loss on Disposal of Property, Plant and Equipment	6.74	2.59
Miscellaneous Expenses	2.59	1.36
	125.24	112.05

(i) Payment to the auditors comprises (inclusive of taxes):

	For the year ended 31st March, 2021 ₹ crores	For the year ended 31st March, 2020 ₹ crores
As Auditors - Statutory Audit	0.62	0.41
For Taxation Matters- Tax audit	0.30	0.27
For Other Services- Limited review, certification services	0.79	0.65
Reimbursement of Expenses	0.02	0.06
Total	1.73	1.39

(ii) Details of Expenditure on Corporate Social Responsibility :

	For the year ended 31st March, 2021 ₹ crores	For the year ended 31st March, 2020 ₹ crores
Contribution to Tata Power Community Development Trust	7.12	5.09
Expenses incurred by the Group Companies	-	0.25
Total	7.12	5.34
Amount required to be spent as per section 135 of the Act	7.12	5.34
Amount spent during the year on:		
(a) Construction/ Acquisition of asset	-	-
(b) On purposes other than (a) above	7.12	5.34



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35. Income taxes

Current Tax
Accounting Policy

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.

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

	For the year ended 31st March, 2021	For the year ended 31st March, 2020
	₹ crores	₹ crores
Current tax	55.01	34.81
Current tax in respect of the previous years	(3.52)	-
Deferred tax	43.08	23.22
Remeasurement of deferred tax on account of new tax regime	-	109.50
Total income tax expense recognised in the current year	94.57	167.53

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

	31st March, 2021 ₹ crores	31st March, 2020 ₹ crores
Profit before tax	414.49	350.29
Profit before tax considered for tax working	414.49	350.29
Income tax expense calculated at 25.17%	104.33	88.17
Add/(Less) tax effect on account of :		
<u>Impact of new tax rate adoption</u>		
MAT write-off	-	98.96
80-IA and related impact	-	43.64
Effect of Rate change due to new tax regime	-	(33.10)
<u>Other impacts</u>		
Effect of Forex Capitalised	-	(25.53)
Brought Forward Losses	-	(2.15)
Effect of Long Term Capital Gain	-	(0.02)
Effect of movement of tax on which no deferred tax was recognised or adjustment arising in current year	10.29	(3.85)
Effect of non-taxable income	(1.70)	(1.81)
Profit taxable at difference tax rates for certain subsidiaries	9.27	7.36
Effect on account of tax in respect of earlier years	(3.52)	-
Reversal of deferred tax during tax holiday period	(35.01)	(3.38)
Dividend from subsidiaries companies	6.42	-
Effect of expenses that are not deductible in determining taxable profit	5.04	5.43
Changes in income tax rate	(0.02)	(0.34)
	95.10	173.38
Other Items	(0.53)	(5.85)
Income tax expense recognised in statement of profit and loss	94.57	167.53
Tax expense	94.57	167.53
Income tax expense recognised in statement of profit and loss	94.57	167.53



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35. Income taxes

Notes:

- a. The tax rate used for the years 2020-21 and 2019-20 reconciliation above is the corporate tax rate of 25.168% payable by corporate entities in India on taxable profits under the Indian tax law.
- b. The Group had paid taxes based on the higher of Income Tax profit of the subsidiary company or MAT at 17.472% of book profit for the year 2020-21 and 2019-20.
- c. The Minimum Alternate Tax (MAT) rate applicable is 17.472% of the book profit for the year 2020-21 and 2019-20.
- d. a) In current year, 1 company in the Group had elected to exercise the option given under section 115BAA of the Income Tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019 (since replaced by the Taxation Laws (Amendment) Act, 2019). Accordingly, the Group had recognised Current Tax for that company.
b) In previous year, 5 Companies in the Group had elected to exercise the option given under section 115BAA of the Income Tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019 (since replaced by the Taxation Laws (Amendment) Act, 2019). Accordingly, the Group had recognised Current Tax for the previous year and re-measured its Deferred Tax Liability basis the rate prescribed in the said Amendment.
c) 14 Companies in the Group continue 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 Group plans not to opt for lower tax regime in foreseeable future and therefore, there is no impact on current/ deferred tax for the year.

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36. Contingent Liabilities and Commitments:

A. Contingent Liabilities :

a) In respect of legal matters

i) The Holding Company had obtained 21.65 acres of land through registered lease deed for 33 years for setting up a solar power plant in Bihar.

During the financial year 2018-19, the lease was treated by the Collector, Gaya as illegal for entering into lease without order of any competent authority, and was cancelled alongwith recovery of penal rent. The Holding Company filed Writ Petition before the Patna High Court against the said Order. The Patna High Court stayed the operations of the Collectors Order and provided certain time to file the counter affidavit. Counter affidavit has filed by the respondent (i.e. State of Bihar) on February 2019 and now the matter is pending for argument.

The Holding Company is of the view that it has a good case with likelihood of liability/ any loss arising out of the said cancellation being remote. Accordingly, pending settlement of the legal dispute, no adjustment has been made in the consolidated financial statements for the year ended 31st March, 2021.

ii) The Holding Company and Group Subsidiary Companies have acquired private land for setting up solar power plants. In certain cases, these acquisitions have been challenged on grounds such as unauthorised encroachment, inadequate compensation, seller not entitled to transact and/or consideration has not been paid to all legal/ beneficial owners. In these cases, the Group has not received any demand for additional payment and these cases are pending at District Court/ High Court Level. The Management believes that the Group has a strong case and outflow of economic resources is not probable.

iii) The Code on Social Security 2020 has been notified in the Official Gazette on 29th September, 2020. The effective date from which the changes are applicable is yet to be notified and the rules are yet to be framed, impact if any of the change will be assessed and accounted in the period in which said Code becomes effective and the rules framed thereunder are notified.

b) In respect of tax matters

i) The Group Subsidiary Company, viz., Walwhan Solar BH Limited, has received a demand notice of ₹ 1.03 crores under section 156 of the Income Tax Act, 1961 due to dis-allowance for open access charges of ₹ 3.25 crores claimed as deduction in the Assessment Year 2017-18. The Subsidiary Company had written back these charges and offered for tax in the Assessment Year 2019-20. The Subsidiary Company had filed an appeal against the demand with the Commissioner of Income Tax (appeals) and appeal proceedings are under process. The Management believes that the Subsidiary Company has a strong case and outflow of economic resources is not probable.

B. Commitments :

(a) Estimated amount of Contracts remaining to be executed on capital account and not provided for

(i) the Group

31st March, 2021 ₹ crores	31st March, 2020 ₹ crores
6.93	17.88

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

37. Earnings Per Share

Accounting Policy

Basic earnings per equity share is computed by dividing the net profit attributable to the equity holders of the group 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 Group (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.

Particulars	For the year ended	
	31st March, 2021	31st March, 2020
Net profit for the period attributable to equity shareholders (In ₹ crores)	319.92	182.76
No. of Equity Shares	61,13,55,942	61,13,55,942
Par value per equity shares	10	10
EPS		
- Basic (In ₹)	5.23	2.99
- Diluted (In ₹)	5.23	2.99





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38. Related Party Disclosures:

A. Holding company
 The Tata Power Company Limited (TPCL) - Ultimate holding company of TPREL
 Tata Power Renewable Energy Limited (TPREL) - Holding company

B. Fellow Subsidiary companies (with whom transaction has been done)

- Tata Power Trading Company Limited
- Tata Power Solar Systems Limited
- Mallton Power Limited
- Powerlinks Transmission Limited
- TP Ajmer Distribution Limited
- Coastal Gujarat Power Limited
- TP Renewable Microgrid Limited
- TP Central Odisha Distribution Limited
- TP Southern Odisha Distribution Limited
- Tata Power Delhi Distribution Limited
- Poolawadi Windfarm Limited

C. Subsidiaries of Promoter Group (where transactions have taken place) :

- Tata AIG General Insurance Company Limited
- Infiniti Retail Limited
- Tata Consulting Engineers Limited
- Tata Capital Financial Services Limited
- Tata International Limited

D. Directors

- Zarif Panihaky
- Ashish Khanna
- Sanjay Bhandarkar
- Maheesh Paranjpe (upto June 12, 2020)
- Anjali Kulkarni

E. Key Managerial Persons (KMP's)

- Maheesh Dinkar Paranjpe - Chief Executive Officer upto June 12, 2020
- Ashwinkumar Palli - Chief Executive Officer from 13th June 2020
- Santosh C. R. - Company Secretary
- Behram Mehta - Chief Financial Officer

F. Details of Transactions:

Particulars	The Tata Power Company Limited	Tata Renewable Energy Limited	Tata Power Trading Company Limited	Tata Power Solar Systems Limited	Maithon Power Limited	Powerlinks Transmission Limited	Tata AIG General Insurance Company Limited	Infiniti Retail Limited	Tata Consulting Engineers Limited	Tata Capital Financial Services Limited	Tata International Limited	KMP's and directors'	TP Renewable Microgrid Limited	Tata Power Delhi Distribution Limited	Poolawadi Windfarm Limited	TP Ajmer Distribution Limited	TP Central Odisha Distribution Limited	TP Southern Odisha Distribution Limited	Coastal Gujarat Power Limited			
Purchase of fixed assets				14.26																		
Renting of services				9.72																		
Receiving of services	2.87	2.54	0.08				7.22	0.02	0.08	0.03	0.01											
Remuneration paid			0.07				2.76	0.00		0.00		1.71										
Payment made by the Group on behalf of												1.47										
Interest income	1.45	0.33																				
Interest paid	0.37	0.31		1.12																		
Dividend paid	1.50																				0.27	
Loans given	596.04	40.00																				
	396.85	242.50		42.98																		





	The Tata Power Company Limited	Tata Power Renewable Energy Limited	Tata Power Trading Company Limited	Tata Power Solar Systems Limited	Mithun Power Limited	Powerlinks Transmission Limited	Tata AIG General Insurance Company Limited	Infiniti Retail Limited	Tata Consulting Engineers Limited	Tata Capital Financial Services Limited	Tata International Limited	KMP's and directors	TP Renewable Microgrid Limited	Tata Power Delhi Distribution Limited	Poolawadi Windfarm Limited	TP Ajmer Distribution Limited	TP Central Odisha Distribution Limited	TP Southern Odisha Distribution Limited	Coastal Gujarat Power Limited
2021	0.09	-	-	0.02	-	-	-	-	-	-	-	-	-	-	-	0.13	-	-	0.02
2020	0.95	0.06	0.04	0.09	-	-	-	-	-	-	-	-	-	-	-	0.06	-	-	0.03
2021	1.05	0.92	0.02	0.54	-	0.01	-	-	-	-	-	-	-	-	-	0.03	0.01	-	0.10
2020	165.29	82.50	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2021	393.40	200.00	-	127.99	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2020	269.50	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2021	269.50	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	400.00
2020	269.50	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	400.00
2021	176.41	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2020	385.82	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2021	398.78	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2020	223.99	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Particulars

	The Tata Power Company Limited	Tata Power Renewable Energy Limited	Tata Power Trading Company Limited	Tata Power Solar Systems Limited	Mithun Power Limited	Powerlinks Transmission Limited	Tata AIG General Insurance Company Limited	Infiniti Retail Limited	Tata Consulting Engineers Limited	Tata Capital Financial Services Limited	Tata International Limited	KMP's and directors	TP Renewable Microgrid Limited	Tata Power Delhi Distribution Limited	Poolawadi Windfarm Limited	TP Ajmer Distribution Limited	TP Central Odisha Distribution Limited	TP Southern Odisha Distribution Limited	Coastal Gujarat Power Limited
2021	0.12	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.13	-	-	-
2020	0.34	-	-	-	0.03	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2021	437.56	-	-	-	-	-	-	-	-	-	-	-	-	-	134.04	-	-	-	-
2020	5.96	42.62	-	-	-	-	-	-	-	-	-	-	-	-	50.16	-	-	-	-
2021	-	-	0.02	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2020	-	-	0.02	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2021	-	-	-	14.19	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2020	-	-	-	8.49	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2021	0.07	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2020	1.49	0.12	0.01	0.27	-	-	-	0.03	-	-	-	-	-	-	-	-	-	-	-
2021	1.26	-	0.03	0.53	0.03	0.01	-	-	-	-	-	-	-	0.01	-	0.03	0.01	0.10	0.00
2020	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.06	-	-	-
2021	163.45	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2020	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2021	1,653.09	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Balances outstanding

2021	Other receivables	0.12
2020	0.34	
2021	Loans receivables (including interest thereon)	437.56
2020	5.96	
2021	Security deposits	42.62
2020	0.02	
2021	Other payables	0.02
2020	14.19	
2021	Trade Receivable	8.49
2020	0.07	
2021	Trade Payables	1.49
2020	1.26	
2021	Loans payables (including interest thereon)	1.26
2020	-	
2021	Corporate guarantee given to banks on behalf of the Group	163.45
2020	-	
2021	1,653.09	

- Notes:
- All outstanding balances are unsecured.
 - Key Managerial Personnel are entitled to post-employment benefits and other long term employee benefits recognised as per Ind AS 19 - 'Employee Benefits' in the consolidated financial statements. As these employee benefits are lump sum amounts provided on the basis of actuarial valuation, the same is not included. Previous year's figures are in italics.

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39. Financial Instruments

39.1 Fair values

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

	Carrying value		Fair Value	
	31st March, 2021	31st March, 2020	31st March, 2021	31st March, 2020
	₹ crores	₹ crores	₹ crores	₹ crores
Financial assets				
Cash and Cash Equivalents *	81.54	108.81	81.54	108.81
Other Balances with Banks *	11.25	14.05	11.25	14.05
Trade Receivables*	760.44	960.38	760.44	960.38
Unbilled Revenues*	138.15	142.41	138.15	142.41
Loans *	564.06	105.08	564.06	105.08
FVTPL Financial Investments	70.11	173.05	70.11	173.05
Other Financial Assets*	312.72	302.54	312.72	302.54
Total	1,938.27	1,806.32	1,938.27	1,806.32
Financial liabilities				
Trade Payables*	43.43	40.42	43.43	40.42
Fixed rate Borrowings (including Current Maturities)*	1,597.75	1,489.72	1,622.93	1,506.04
Floating rate Borrowings (including Current Maturities)*	2,838.48	3,243.46	2,838.48	3,243.46
Bill discounting facility	163.45	385.82	163.45	385.82
Lease liabilities	3.58	3.57	3.58	3.57
Other Financial Liabilities*	40.04	46.46	40.04	46.46
	4,686.73	5,209.45	4,711.91	5,225.77

* At Amortised cost

Notes: The Group management has assessed that cash and cash equivalents, other balances with bank, trade receivables, loans, unbilled revenues, trade payables, Bill Discounting, other financial assets and liabilities approximate their carrying amounts largely due to the shorter maturities of these instruments.

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

- Fair value of the mutual funds are based on the price quotations near the reporting date.
- The Group enters into derivative financial instruments with various counterparties, principally banks and financial institutions with investment grade credit ratings. Interest rate swaps, foreign exchange forward and option contracts are valued using valuation techniques, which employs the use of market observable inputs. The most frequently applied valuation techniques include forward pricing and swap models using present value calculations. The models incorporate various inputs including the credit quality of counterparties, foreign exchange spot and forward rates, yield curves of the respective currencies, currency basis spreads between the respective currencies, interest rate curves and forward rate curves of the underlying currency. All derivative contracts are fully collateralized, thereby, eliminating both counterparty and the Group's own non-performance risk. As at 31st March, 2020, the marked-to-market value of derivative asset positions is net of a credit valuation adjustment attributable to derivative counterparty default risk. The change in counterparty credit risk had no material effect on the hedge effectiveness assessment for derivatives designated in hedge relationships and other financial instruments recognized at fair value. As at 31st March, 2021, there are no outstanding derivative financial instruments.

39.2 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 includes quoted equity instruments, government securities, quoted borrowings (fixed and floating rate) and 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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39. Financial Instruments (Contd.)

	Date of valuation	Fair value hierarchy as at 31st March, 2021			
		Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
		₹ crores	₹ crores	₹ crores	₹ crores
Asset measured at fair value					
FVTPL Financial Investments	31st March, 2021	70.11	-	-	70.11
Asset for which fair values are disclosed					
Other non-current Financial Assets	31st March, 2021	-	299.91	-	299.91
		70.11	299.91	-	370.02
Liabilities for which fair values are disclosed					
Fixed rate Borrowings	31st March, 2021	1,223.98	398.95	-	1,622.93
Floating rate Borrowings	31st March, 2021	-	2,838.48	-	2,838.48
Total		1,223.98	3,237.43	-	4,461.41

	Date of valuation	Fair value hierarchy as at 31st March, 2020			
		Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
		₹ crores	₹ crores	₹ crores	₹ crores
Asset measured at fair value					
FVTPL Financial Investments	31st March, 2020	173.05	-	-	173.05
Asset for which fair values are disclosed					
Other non-current Financial Assets	31st March, 2020	-	294.59	-	294.59
		173.05	294.59	-	467.64
Liabilities for which fair values are disclosed					
Fixed rate Borrowings	31st March, 2020	1,213.68	292.36	-	1,506.04
Floating rate Borrowings	31st March, 2020	-	3,243.46	-	3,243.46
Total		1,213.68	3,535.82	-	4,749.50

Notes:-

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

Other non-current Financial Assets: The fair value of loans given is determined using the discounted cash flow method. Future cashflows are based on the terms of loan. Cashflows are discounted at the current market rate reflecting current market and credit risks.

The carrying amounts of cash and cash equivalents, other bank balance, trade receivable, unbilled revenue, current loan, other financial assets, trade payable and other financial liabilities are considered to be the same as their fair value due to their short term nature



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39. Financial Instruments (Contd.)

39.3 Capital Management & Gearing Ratio

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

The Group 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 Group reviews its policy related to dividend payment to shareholders, return capital to shareholders or fresh issue of shares. The Group monitors capital using gearing ratio, which is net debt divided by total capital plus net debt. The Group's policy is to keep the gearing ratio between 60% and 75% at consolidated level. The Group includes within net debt, interest bearing loans and borrowings, less cash and cash equivalents, excluding discontinued operations as detailed in the notes below.

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

Gearing ratio

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

	₹ crores	
	31st March, 2021	31st March, 2020
Debt (i)	4,628.56	5,152.16
Less: Cash and Bank balances	81.54	108.81
Net debt	4,547.02	5,043.35
Total Capital (ii)	2,600.41	2,300.29
Capital and net debt	7,147.43	7,343.64
Net debt to Total Capital plus net debt ratio (%)	63.62	68.68

(i) Debt is defined as Non-current borrowings (including current maturities) and Current borrowings (excluding derivative, financial guarantee contracts and contingent considerations) and interest accrued on Non-current and Current borrowings.

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

In order to achieve this overall objective, the Group'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. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current period.

No changes were made in the objectives, policies or processes for managing capital during the years ended 31st March, 2021 and 31st March, 2020.

39.4 Financial risk management objectives and policies

The Group's principal financial liabilities, other than derivatives, comprise borrowings, trade and other payables, financial guarantee contracts and other financial liabilities. The main purpose of these financial liabilities is to finance the Group's operations and to provide guarantees to support its operations. The Group's principal financial assets include loans, trade and other receivables, cash and cash equivalents, other bank balances, unbilled receivables, finance lease receivables and other financial assets that derive directly from its operations. The Group also holds FVTPL investments and enters into derivative transactions.

The Group is exposed to market risk, credit risk and liquidity risk. The Group's senior management oversees the management of these risks. The Group's senior management is supported by a risk committee that reviews the financial risks and the appropriate financial risk governance framework for the Group. The Group's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Group's policies and risk objectives. All derivative activities for risk management purposes are carried out by specialist teams that have the appropriate skills, experience and supervision. It is the Group's policy that no trading in derivatives for speculative purposes may be undertaken. The risk management policy is approved by the board of directors, which are summarized below.

39.4.1 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 is not material. 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, 2021 and 31st March, 2020.

The sensitivity analysis have 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 and on the basis of hedge designations in place at 31st March, 2021.

a. Foreign currency risk management

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The results of the Group's operations can be affected as the rupee appreciates/depreciates against these currencies. The Group enters into derivative financial instruments such as foreign exchange forward and Currency & Interest Swaps to mitigate the risk of changes in exchange rates on foreign currency exposures. However as at 31st March, 2021 Group does not have any outstanding foreign currency exposure.

The following table analyses foreign currency assets and liabilities on balance sheet dates:

Foreign Currency Liabilities	31st March, 2021		31st March, 2020	
	Foreign Currency (in Million)	₹ crores	Foreign Currency (in Million)	₹ crores
In EURO	0.01	0.05	0.01	0.45



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39. Financial Instruments (Contd.)

(i) Foreign currency sensitivity analysis

The following tables demonstrate the sensitivity to a reasonably possible change in EURO exchange rates, with all other variables held constant. The impact on the Group's profit before tax and pre-tax equity is due to changes in the fair value of monetary assets and liabilities including non-designated foreign currency forward and option contracts given as under.

	₹ crores	
	Effect on profit before tax	Effect on pre- tax equity
As of 31st March, 2021		
Rupee depreciate by ₹ 1 against EURO	(0.01)	(0.01)
Rupee appreciate by ₹ 1 against EURO	0.01	0.01
As of 31st March, 2020		
Rupee depreciate by ₹ 1 against EURO	(0.01)	(0.01)
Rupee appreciate by ₹ 1 against EURO	0.01	0.01

Notes:

1) +/- Gain/Loss

2) The impact of depreciation/ appreciation on foreign currency other than EURO on profit before tax of the Group is not material.

(ii) Derivative financial instruments

The Group does not holds any derivative financial instruments such as foreign exchange forward, currency and Interest rate swaps (CIRS) to mitigate the risk of changes in exchange rate on foreign currency exposure.

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39. Financial Instruments (Contd.)

b. Interest rate risk management

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

The Group manages its interest rate risk by having a balanced portfolio of fixed and variable rate loans and borrowings. The Group's policy is to keep upto 50% of its borrowings at fixed rates of interest. To manage this, the Group enters into fixed rate loan, Bonds and interest rate swaps, in which it agrees to exchange, at specified intervals, the difference between fixed and variable rate interest amounts calculated by reference to an agreed-upon notional principal amount.

(i) Interest rate sensitivity:

The sensitivity analysis below have been determined based on exposure to interest rates for term loans and debentures 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 loans and debentures 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 Group's profit in that financial year would have been as below:

	₹ crores			
	As of 31st March, 2021		As of 31st March, 2020	
	50 bps increase	50 bps decrease	50 bps increase	50 bps decrease
Interest expense on loan	14.19	14.19	16.22	16.22
Effect on profit before tax	(14.19)	14.19	(16.22)	16.22

(ii) Interest rate swap contracts:

An interest rate swap is an agreement between two counterparties in which one stream of future interest payments is exchanged for another based on a specified principal amount. Interest rate swaps usually involve the exchange of a fixed interest rate for a floating rate, or vice versa, to reduce or increase exposure to fluctuations in interest rates or to obtain a marginally lower interest rate than would have been possible without the swap. Interest rate swaps are the exchange of one set of cash flows for another. However as at 31st March, 2021 and 31st March, 2020, the Group does not have any Interest rate swap contracts.

39.4.2 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 Group is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities including loans, foreign exchange transactions and other financial instruments. The Group generally deals with parties which has good credit rating/ worthiness given by external rating agencies or based on Group's internal assessment as listed below:

	₹ crores	
	31st March, 2021	31st March, 2020
Trade Receivables	760.44	960.38
Loans	564.06	105.08
Other Financial Assets	312.72	302.54
Unbilled Revenue	138.15	142.41
Total	1,775.37	1,510.41

a) The trade receivables and unbilled revenue as stated above are due from the Discoms & are under normal course of Business & as such the Group believes exposure to credit risk to be minimal.

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

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

c) Other Financial assets includes ₹ 198.53 crores (previous year : ₹ 201.11 crores) receivables against service concession agreements. The same is also recoverable from concerned Discom where the Group believes the exposure to credit risk to be minimal. Balance other financial assets include security deposits, derivative assets & other recoverable from Banks, governments agencies etc. where credit risk is envisaged to be minimal

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

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39. Financial Instruments (Contd.)

39.4.3 Liquidity risk management

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

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

	₹ crores				
	Up to 1 year	1 to 5 years	5+ years	Total	Carrying Amount
31st March, 2021					
Financial Liabilities					
Borrowings #	1,804.11	862.48	1,781.49	4,448.08	4,436.23
Bills Discounting	-	-	-	-	163.45
Future Interest ##	289.74	677.82	605.80	1,573.36	-
Lease liabilities	0.31	1.38	6.57	8.26	3.58
Trade Payables	43.43	-	-	43.43	43.43
Other Financial Liabilities	40.04	-	-	40.04	40.04
Total Financial Liabilities	2,177.63	1,541.68	2,393.86	6,113.17	4,686.73
31st March, 2020					
Financial Liabilities					
Borrowings #	523.15	2,058.14	2,173.17	4,754.46	4,733.18
Bills Discounting	-	-	-	-	385.82
Future Interest ##	347.17	986.92	955.49	2,289.58	-
Lease liabilities	0.31	1.38	6.88	8.57	3.57
Trade Payables	40.42	-	-	40.42	40.42
Other Financial Liabilities	46.46	-	-	46.46	46.46
Total Financial Liabilities	957.51	3,046.44	3,135.54	7,139.49	5,209.45

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

The amounts included above for variable interest rate instruments for financial 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 period.

39.4.4 Financing Facilities

	₹ crores	
	March 31, 2021	March 31, 2020
Secured bank loan facility :		
Amount used	3,561.55	3,612.10
Amount unused	248.00	197.45

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40. Statement of Net Assets and Profit and Loss attributable to Owners and Non Controlling Interests

(a) As at and for the year ended 31st March, 2021

Name of the Entity	Net Assets i.e. total assets minus total liabilities		Total Income i.e. Revenue Plus Other Income		Share of Profit or (loss)		Share in Other Comprehensive Income		Share in Total Comprehensive Income	
	As % of consolidated net assets	Amount (₹ crores)	As % of consolidated total income	Amount (₹ crores)	As % of consolidated profit	Amount (₹ crores)	As % of consolidated Other comprehensive income	Amount (₹ crores)	As % of consolidated Total comprehensive income	Amount (₹ crores)
Walwhan Renewable Energy Ltd.	79.37%	2,064.01	44.90%	553.99	33.70%	107.80	105.41%	0.39	33.78%	108.19
Indian Subsidiaries										
Walwhan Urja Anjar Ltd.	1.21%	31.38	2.46%	30.40	0.98%	3.15	-2.70%	(0.01)	0.98%	3.14
Walwhan Solar AP Ltd.	5.68%	147.73	6.38%	78.77	6.13%	19.62	0.00%	-	6.13%	19.62
Walwhan Solar RJ Ltd.	1.32%	34.38	0.82%	10.17	0.94%	3.01	0.00%	-	0.94%	3.01
Northwest Energy Private Limited	1.08%	28.20	0.78%	9.61	0.89%	2.84	0.00%	-	0.89%	2.84
Walwhan Solar Energy GJ Limited	1.09%	28.43	0.77%	9.45	1.14%	3.64	0.00%	-	1.14%	3.64
Dreisatz Mysolar24 Private Ltd.	1.13%	29.44	1.92%	23.66	1.00%	3.21	0.00%	-	1.00%	3.21
MI Mysolar24 Private Limited	1.48%	38.59	1.92%	23.65	1.56%	5.00	0.00%	-	1.56%	5.00
Walwhan Energy RJ Ltd.	1.27%	33.08	1.37%	16.91	-0.09%	(0.29)	0.00%	-	-0.09%	(0.29)
Walwhan Solar MP Ltd.	18.78%	488.27	16.22%	200.18	23.36%	74.72	-2.70%	(0.01)	23.33%	74.71
Walwhan Solar MH Ltd.	0.66%	17.17	2.19%	26.98	1.82%	5.83	0.00%	-	1.82%	5.83
Walwhan Solar KA Ltd.	0.17%	4.37	1.89%	23.35	1.24%	3.97	0.00%	-	1.24%	3.97
Walwhan Solar PB Ltd.	5.42%	140.85	3.40%	41.98	4.36%	13.95	0.00%	-	4.36%	13.95
Walwhan Solar Raj Ltd.	0.14%	3.75	0.38%	4.63	0.08%	0.26	0.00%	-	0.08%	0.26
Walwhan Wind RJ Ltd.	7.78%	202.22	10.60%	130.78	5.16%	16.50	0.00%	-	5.15%	16.50
Walwhan Solar TN Ltd.	10.49%	272.67	9.75%	120.33	13.24%	42.37	0.00%	-	13.23%	42.37
Walwhan Solar BH Ltd.	5.62%	146.26	4.62%	56.97	6.99%	22.36	0.00%	-	6.98%	22.36
Clean Sustainable Solar Energy Private Limited	3.27%	84.97	3.67%	45.28	5.74%	18.36	0.00%	-	5.73%	18.36
Walwhan Urja India Ltd.	-0.05%	(1.33)	0.03%	0.34	-0.40%	(1.28)	0.00%	-	-0.40%	(1.28)
Solarsys Renewable Energy Private Limited	0.39%	10.02	1.62%	20.05	4.48%	14.33	0.00%	-	4.47%	14.33
Adjustments arising out of consolidation	-46.30%	(1,204.05)	-15.69%	(193.55)	-12.32%	(39.43)	0.00%	-	-12.31%	(39.43)
Consolidated Net Assets / Profit after tax	100.00%	2,600.41	100.00%	1,233.93	100.00%	319.92	100.00%	0.37	100.00%	320.29

(b) As at and for the year ended 31st March, 2020

Name of the Entity	Net Assets i.e. total assets minus total liabilities		Total Income i.e. Revenue Plus Other Income		Share of Profit or (loss)		Share in Other Comprehensive Income		Share in Total Comprehensive Income	
	As % of consolidated net assets	Amount (₹ crores)	As % of consolidated total income	Amount (₹ crores)	As % of consolidated profit	Amount (₹ crores)	As % of consolidated Other comprehensive income	Amount (₹ crores)	As % of consolidated Total comprehensive income	Amount (₹ crores)
Walwhan Renewable Energy Ltd.	85.90%	1,975.84	44.91%	549.95	13.72%	25.07	102.40%	(1.28)	13.11%	23.79
Indian Subsidiaries										
Walwhan Urja Anjar Ltd.	1.23%	28.24	2.49%	30.51	2.77%	5.07	-2.40%	0.03	2.81%	5.10
Walwhan Solar AP Ltd.	5.95%	136.88	5.34%	65.43	-4.69%	(8.57)	-0.80%	0.01	-4.72%	(8.56)
Walwhan Solar RJ Ltd.	1.36%	31.37	0.91%	11.17	2.30%	4.20	-0.80%	0.01	2.32%	4.21
Northwest Energy Private Limited	1.10%	25.36	0.80%	9.79	1.50%	2.75	0.00%	-	1.52%	2.75
Walwhan Solar Energy GJ Limited	1.27%	29.23	0.76%	9.29	1.95%	3.57	0.00%	-	1.97%	3.57
Dreisatz Mysolar24 Private Ltd.	1.96%	45.15	2.13%	26.08	3.30%	6.04	-0.80%	0.01	3.33%	6.05
MI Mysolar24 Private Limited	1.46%	33.59	2.12%	25.98	3.62%	6.61	0.00%	-	3.64%	6.61
Walwhan Energy RJ Ltd.	1.45%	33.37	0.93%	11.44	0.18%	0.32	0.00%	-	0.18%	0.32
Walwhan Solar MP Ltd.	17.98%	413.56	13.72%	168.02	24.41%	44.62	0.00%	-	24.58%	44.62
Walwhan Solar MH Ltd.	0.49%	11.34	2.21%	27.06	-2.17%	(3.96)	0.00%	-	-2.18%	(3.96)
Walwhan Solar KA Ltd.	0.31%	7.02	1.90%	23.27	-2.82%	(5.16)	1.60%	(0.02)	-2.85%	(5.18)
Walwhan Solar PB Ltd.	5.52%	126.89	3.48%	42.58	9.17%	16.75	0.00%	-	9.23%	16.75
Walwhan Solar Raj Ltd.	0.15%	3.50	0.38%	4.69	0.15%	0.28	0.00%	-	0.15%	0.28
Walwhan Wind RJ Ltd.	8.07%	185.72	11.37%	139.17	8.34%	15.24	1.60%	(0.02)	8.39%	15.22
Walwhan Solar TN Ltd.	10.01%	230.30	10.43%	127.72	17.94%	32.78	0.00%	-	18.06%	32.78
Walwhan Solar BH Ltd.	5.39%	123.90	4.51%	55.18	12.71%	23.23	0.00%	-	12.80%	23.23
Clean Sustainable Solar Energy Private Limited	2.90%	66.61	3.37%	41.27	8.88%	16.23	0.00%	-	8.94%	16.23
Walwhan Urja India Ltd.	0.00%	(0.05)	0.02%	0.26	-0.72%	(1.32)	0.00%	-	-0.73%	(1.32)
Solarsys Renewable Energy Private Limited	-0.13%	(3.04)	0.01%	0.18	-0.85%	(1.56)	0.00%	-	-0.86%	(1.56)
Adjustments arising out of consolidation	-52.36%	(1,204.49)	-11.81%	(144.57)	0.31%	0.57	-0.80%	0.01	0.32%	0.58
Consolidated Net Assets / Profit after tax	100.00%	2,300.29	100.00%	1,224.47	100.00%	182.76	100.00%	(1.25)	100.00%	181.51



Walwhan Renewable Energy Limited
(Formerly known as Walwhan Renewable Energy Private Limited)
(Formerly known as Welspun Renewables Energy Private Limited)
Notes to the Consolidated Financial Statements

41. a) The Holding Company, and its Subsidiary Walwhan Solar TN Limited, with a combined capacity of 249 MW (5 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 Group is entitled to receive consideration for all energy units supplied and billed. However, whilst effecting payments to the Group, TANGEDCO has disputed and is not making payment for energy units supplied and billed in excess of 19% Capacity Utilisation Factor (CUF) in accordance with its internal circular.

The National Solar Energy Federation of India (NSEFI) had filed a petition with the Tamil Nadu Electricity Regulatory Commission (TNERC) challenging the circular issued by TANGEDCO on its own behalf as well as the generators impacted by the said circular. The Tata Power Company Limited, holding company of the Group, is also a member of NSEFI and, thereby, the Group was also party to petition filed by the NSEFI. The TNERC has now issued Order dated 22nd December 2020 on the petition filed by the NSEFI and decided the matter in favour of TANGEDCO.

The Group has challenged the ruling of TNERC at the Appellate Tribunal for Electricity (ATE) through NSEFI. Based on legal assessment, the management of the Group is of the view that the claim of the Group for payment toward units supplied in excess of 19% CUF is entirely tenable and it is confident of getting a favourable order.

The Group has a trade receivable balance of ₹ 90.85 crores for such excess units as on 31st March 2021 (31 March 2020: ₹ 87.92 crores). The Group has also recognised a revenue of ₹ 2.93 (year ended 31 March 2020: ₹ 33.20 crores) for such excess units. Considering the signed PPA and its legal evaluation, the Group believes that these amounts are fully recoverable with interest.

b) Trade Receivables include ₹ 363.57 crores (31st March, 2020 ₹ 567.09 crores) receivable from TANGEDCO including ₹ 80.17 crores (31st March, 2020 ₹ 299.79 crores) relating to bill discounting with recourse and ₹ 90.85 crores (31st March, 2020 ₹ 87.92 crores) pertaining to CUF adjustment as mentioned above. The Group is of the view that these receivables are fully recoverable with late payment surcharge/ interest.

42. In the year 2016, the Holding Company entered into long-term Power Purchase Agreements ("PPAs") with the Southern Power Distribution Company of Andhra Pradesh Limited ("APDISCOM") that is valid for 25 years to supply power from its two solar plants with cumulative capacity of 100 MWs (Solar energy projects) at ₹ 5.99 per unit (with escalation @ 3% p.a. from year 2 to 10). The Government of Andhra Pradesh (the "GoAP") issued an order (the "GO") dated 1st July, 2019 constituting a High Level Negotiation Committee (the "HLNC") for review and negotiation of tariff for wind and solar projects in the state of Andhra Pradesh. Pursuant to the GO, APDISCOM issued letters dated 12th July, 2019 to the Holding Company requesting for revision of tariffs previously agreed as per the PPAs to ₹ 2.44 per unit. Since the Holding Company and other power producers did not agree to the rate revision, APDISCOM referred the matter to the Andhra Pradesh Electricity Regulatory Commission (the "APERC") for revision of tariffs.

The Holding Company had filed a writ petition on 30th July, 2019 before the Andhra Pradesh High Court ("AP High Court") in front of single member bench challenging the GO and the said letters issued by APDISCOM for renegotiation of tariffs. The AP High court also instructed APDISCOM to honour pending and future bills but to pay them at a rate of ₹ 2.44 per unit (as against the billed rate) and also stated that this rate is only an interim measure until the matter is resolved by the APERC and suggested the APERC to conclude this matter within 6 months period. Thereafter, the Holding Company had filed an appeal in AP High Court in front of two members bench challenging the matter being referred to the APERC. Further, the APERC has deferred the hearing in view of the case being filed in the AP High Court, till the AP High Court passes an order in the matter.

The Holding Company has now filed an application for impleadment in Hon'ble Supreme Court (SC) in the SLP of APSPDCL and transfer petition before the SC from the AP High Court inter alia on the ground of delays in hearing of the matter by the AP High Court and the financial hardship that has resulted due to delay in payment by APDISCOM.

During the year ended 31st March, 2020, the Holding Company has received an amount of ₹ 58.90 crores from APDISCOM at the interim rate of ₹ 2.44 per unit as against PPA rates stated above. Further, additional amount of ₹ 21.47 crores has been received at the interim rate of ₹ 2.44 per unit during the current year ended 31st March, 2021.

The Holding Company has a net block of property, plant and equipment (PPE) amounting to ₹ 605.24 crores (31st March, 2020 ₹ 632.60 crores) and has recognised a revenue of ₹ 105.67 crores for the year ended 31st March, 2021 (₹ 97.71 crores for the year ended 31st March, 2020) and has a trade receivable balance of ₹ 212.48 crores as on 31st March, 2021 (31st March, 2020 ₹ 128.44 crores) from sale of electricity against such PPAs. Considering signed PPA, interim order passed by the AP High Court, and its legal evaluation, the management believes that the Holding Company has a strong case and it will be able to receive disputed amount with interest once the matter is concluded. Hence, no adjustment is required to be made in the consolidated Financial Statements.

43. Dreisatz Mysolar Pvt. Ltd. (DMS) and MI Mysolar Pvt. Ltd. (MMS), two wholly-owned subsidiaries of the Holding Company, with combined capacity of 30 MW, have been supplying solar power to the Gujarat Urja Vikas Nigam Ltd. (GUVNL) under the long-term power purchase agreement (PPA). As per the PPA's with the GUVNL, applicable fixed tariff for a period of 25 years was originally determined by the Gujarat Electricity Regulatory Commission (GERC) vide its Tariff Order dated 27th January 2012. The GERC initiated a suo motu proceeding, re-determined the tariffs and issued a fresh Tariff Order dated 11th July, 2014 resulting in an increase in the tariff. The GUVNL appealed against this Tariff Order and ATE vide its Order dated 11th April, 2018 dismissed the appeal as being devoid of merit. The GUVNL subsequently filed a Civil Appeal in the Hon'ble Supreme Court against the abovementioned ATE Order of 2018. The Supreme Court admitted the GUVNL petition & stay order has been passed on the matter. The matter is pending for the Hon'ble Supreme Court hearing. Basis legal assessment, the management believes that the Group has a strong case and chances of the Supreme Court reversing the order are remote.

Accordingly, the Group has recognized an unbilled revenue receivable of ₹ 20.75 crores (31 March 2020: ₹ 18.31 crores) for the incremental rate as on 31st March, 2021. Based on its expectations to recover amount within 12 months, the Group has classified unbilled revenue as current asset.

44. India and other global markets experienced significant disruption in operations resulting from uncertainty caused by the worldwide coronavirus pandemic. Considering that the Group 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 Group is closely monitoring developments, its operations, liquidity and capital resources and is actively working to minimize the impact of this unprecedented situation.

45. Segment reporting

The Group 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 Group's resources are dedicated to this single segment and all the discrete financial information is available for this segment.

46. 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.



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Notes to the Consolidated Financial Statements

47. On 26th December, 2020, the board of directors of the Holding Company has declared interim dividend of ₹ 0.33 per equity share.

48. Amendment in Schedule III to the Companies Act 2013:

On 24th March, 2021, the Ministry of Corporate Affairs ("MCA") through a notification, amended Schedule III of the Companies Act, 2013. The amendments revise Division I, II and III of Schedule III and are applicable from April 1, 2021. Key amendments relating to Division II which relate to companies whose financial statements are required to comply with the Companies (Indian Accounting Standards) Rules 2015 (as amended) are:

Balance Sheet:

- Lease liabilities should be separately disclosed under the head 'financial liabilities', duly distinguished as current or non-current.
- Certain additional disclosures in the statement of changes in equity such as changes in equity share capital due to prior period errors and restated balances at the beginning of the current reporting period.
- Specified format for disclosure of shareholding of promoters.
- Specified format for ageing schedule of trade receivables, trade payables, capital work-in-progress and intangible asset under development.
- If a company has not used funds for the specific purpose for which it was borrowed from banks and financial institutions, then disclosure of details of where it has been used.
- Specific disclosure under 'additional regulatory requirement' such as compliance with approved schemes of arrangements, compliance with number of layers of companies, title deeds of immovable property not held in name of company, loans and advances to promoters, directors, key managerial personnel (KMP) and related parties, details of benami property held etc.

Statement of profit and loss:

- Additional disclosures relating to Corporate Social Responsibility (CSR), undisclosed income and crypto or virtual currency specified under the head 'additional information' in the notes forming part of the financial statements.

The amendments are extensive and the Company will evaluate the same to give effect to them as required by law.

49. Previous year figures have been regrouped/ reclassified wherever necessary, to conform with current year presentation.

50. Approval of Financial Statements

The financial statements were approved for issue by the Board of Directors on 19th April, 2021.

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

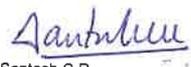

per Abhishek Agarwal
Partner
Mumbai, 19th April, 2021




Ashwinikumar Patil
Chief Executive Officer
Mumbai, 19th April, 2021


Behram Mehta
Chief Financial Officer
Mumbai, 19th April, 2021


Ashish Khanna
Chairman
DIN 06699527
Mumbai, 19th April, 2021


Santosh C.R.
Company Secretary
Mumbai, 19th April, 2021