

# Waaree Energies Limited

Annual Report for the  
Year Ended 31<sup>st</sup> March, 2020

**WAAREE Energies Ltd.**

**Registered Office:**

602, Western Edge-I, Western Express Highway, Borivali (E), Mumbai - 400 066, INDIA.  
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Corporate Identity Number: U29248MH1990PLC059463

# **SGCO & Co. LLP**

## **Chartered Accountants**

### **INDEPENDENT AUDITOR'S REPORT**

To the Members of Waaree Energies Limited

#### **Report on the Audit of the Standalone Ind AS Financial Statements**

##### **Opinion**

We have audited the standalone Ind AS financial statements of Waaree Energies Limited ("the Company"), which comprise the balance sheet as at 31st March 2020, and the statement of Profit and Loss, (Including Other Comprehensive Income) and statement of cash flows and statement of changes in equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements gives the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Indian Accounting Statements ("Ind AS"), of the state of affairs of the Company as at March 31, 2020, and profit/loss, (Financial performance including other comprehensive income) its cash flows and changes in equity for the year ended on that date.

##### **Basis for Opinion**

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Ind AS Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the standalone Ind AS financial statements under the provisions of the Companies Act, 2013 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 opinion.

##### **Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

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Sr. No.	Key Audit Matter	Auditor's Response
1	<p><b><u>Contingent assets with regards to certain percentage of sale consideration on disposal of investments held in the nature of wholly owned subsidiary.</u></b></p> <p>During the FY 2018-19, the company had disposed of its wholly owned subsidiary company. As per the terms of the Share Purchase Agreement and its amendment Rs. 420.57 millions was withheld by the buyer towards the closure of pending obligations and other litigations in such subsidiary. Out of that, the Company had recognised Rs. 158.00 million on the basis of certainty and the balance amount of Rs. 262.57 million will be recognised by the company on successful closure of such obligations and/or litigation which are contingent in nature. During the year, the Company has received 36.33 millions against Rs. 158.00 million recognised as income in earlier year and the balance amount of Rs 121.67 million is still certain and recoverable. The company continue to disclose Rs 262.57 lacs as Contingent Assets.</p>	<p>Our audit approach in this regards was as follow:</p> <ul style="list-style-type: none"> <li>Reviewed the status of the obligations and/or the litigation matters covered under the agreement(s).</li> <li>Evaluated the assumptions provided by the company regarding possible closure of the obligations and the outcome of the ongoing litigation(s).</li> <li>Subsequent position till the closure of financials is also evaluated for the open positions.</li> </ul>

#### Information Other than the Financial Statements and Auditor's Report Thereon

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

Our opinion on the 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 standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our 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 and Those Charged with Governance for the Standalone Ind AS Financial Statements**

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Ind AS and accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and 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 standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

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

1. Our objectives are to obtain reasonable assurance about whether the 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 financial statements.
  
2. 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 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 Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
  - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
  - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
  - Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
3. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
4. 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.
5. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period 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, 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.



### **Other Matters**

We draw attention to Note No. 53 to the Financial Statements, which describes the uncertainties due to the outbreak of SARS-CoV-2 virus (COVID-19). In view of these uncertainties, the impact on the Company's financial statements is significantly dependent on future developments. Our opinion is not modified in respect of this matter.

### **Report on Other Legal and Regulatory Requirements**

- 1 As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the "**Annexure A**" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
- 2 As required by Section 143(3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - (c) The Standalone financial statements dealt with by this Report are in agreement with the books of account.
  - (d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Accounting Standards/ Ind AS as specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - (e) On the basis of the written representations received from the directors as on 31st March, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.
  - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "**Annexure B**".
  - (g) 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, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company has disclosed the impact of pending obligations and/or litigations on its financial position in its standalone Ind AS financial statements – Refer Note 42 to the standalone Ind AS financial statements;
    - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses



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iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company

3 In respect of companies where managerial remuneration is as per section 197:

As required by Section 197(16) of the Act, we report that the Company has paid remuneration to its directors during the year in accordance with the provisions of and limits laid down under Section 197 read with Schedule V to the Act.

*For S G C O & Co. LLP*  
Chartered Accountants  
FRN. 112081W/W100184

*Suresh Murarka*

Partner

Mem. No. 44739

Place: Mumbai

Date: 30<sup>th</sup> June 2020

UDIN: 20044739AAAAAC44392



Annexure "A" to Independent Auditor's Report

Annexure referred to in Paragraph 1 of "Report on Other Legal and Regulatory Requirements" of our Report of even date on the accounts of **Waaree Energies Limited** for the year ended 31<sup>st</sup> March 2020.

As required by the Companies (Auditors Report) Order, 2016 and according to the information and explanations given to us during the course of the audit and on the basis of such checks of the books and records as were considered appropriate we report that:

- (i)
  - a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
  - b) As explained to us, the fixed assets have been physically verified by the management in accordance with a phased programme of verification, which in our opinion is reasonable, considering the size of the Company and the nature of its assets. In accordance with this program certain fixed assets were verified during the year. The frequency of verification is reasonable, and no discrepancies have been noticed on such physical verification.
  - c) According to the information and explanations given to us and on the basis of our examination of records of the Company, the title deeds of immovable properties are held in the name of the Company, except *freehold land amounting to Rs 2.92 million in respect of which agreement is not yet registered*.
- (ii) The inventories have been physically verified by the management during the year at reasonable intervals. Discrepancies noticed on physical verification of inventories as compared to book records were not material and have been properly dealt with in the books of account.
- (iii)
  - a) According to the information and explanations given to us and based on the audit procedures conducted by us, we are of the opinion that the terms and conditions of loans granted by the company to six parties covered in the register maintained under section 189 of the Companies Act, 2013, (total loan amount granted during the year Rs 80.98 million and balance outstanding as at balance sheet date Rs 380.13 million) are not prejudicial to the company's interest, except one parties where the loan granted is interest free.
  - b) The terms of arrangements do not stipulate any repayment schedule and the loans are repayable on demand. Accordingly, paragraph 3(iii)(b) of the Order is not applicable to the Company in respect of repayment of the principal amount;
  - c) There are no overdue amounts in respect of such loans.
- (iv)
  - a) In our opinion and according to the information and explanation given to us, the Company has directly/ indirectly granted loan to six parties in whom the directors are interested which is not in compliance with section 185 of the Act. With regards to loans provided the maximum outstanding during the year is Rs. 414.38 million and balance outstanding as at balance sheet date is Rs.380.13 million.



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- b) With regards to loan, investments in securities, guarantees provided to other body corporates after enforcement of section 186 of the Act, the Company has complied with the provisions of section 186 of the Act, except that in case of loan granted to one parties interest has not been charged as per the rates prescribed in the said section, details of the same is stated below.

Name of Company/Party	Amount Involved	Balance as at 31 <sup>st</sup> March 2020	Remarks, if any
Blue Rays Solar Private Limited (Wholly owned subsidiary)	-	278.19	Interest free loan given

- (v) The Company has not accepted any deposits from the public.
- (vi) As per explanation & information given to us, the Central Government has prescribed for the maintenance of cost records which have been maintained as required under section 148 (1) of the Companies Act, 2013.
- (vii) a) Accordingly to the records of the Company, the undisputed statutory dues including Provident Fund, Income tax, Sales tax, Wealth tax, Service tax, Duty of Customs, Duty of Excise, Value Added Tax and Cess, to the extent applicable to the Company, have been regularly deposited with the appropriate authorities. According to the information and explanations given to us, there are no undisputed amount payable in respect of such statutory dues which have remained outstanding as at 31st March, 2020 for a period more than six months from the date they became payable.
- b) According to the information and explanations given to us, disputed dues of Income Tax, Sales Tax, Service Tax, Duty of Custom, Duty of Excise, and Value Added Tax which have not been deposited on account of disputes with the related authorities are as under.

Nature of Liability	Amount (Rs. in millions)	Period to which matter pertains	Forum at which dispute is pending
Gujarat VAT & CST	58.65	FY 2013-14	Joint Commissioner Commercial Tax Appeal Surat
Gujarat VAT	14.73	FY 2014-15	Gujrat value added tax tribunal,Ahmedabad
Madhya Pradesh Central Sales Tax	1.95	FY 2013-14	Asst. Commissioner Sales Tax,Bhopal Circle-5
Madhya Pradesh	19.96	FY 2014-15	Dept. commissioner commercial tax division 1 Bhopal



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Nature of Liability	Amount (Rs. in millions)	Period to which matter pertains	Forum at which dispute is pending
Rajasthan VAT & CST	0.03	FY 2014-15	Commercial Tax Officer Bikaner Work Tax
Rajasthan VAT & CST	5.03	FY 2015-16	Commercial Tax Officer Bikaner Work Tax
Income Tax	4.08	FY 2015-16	Asst. Commissioner Income Tax,Circle-11(3)(2),Mumbai
Income Tax	2.92	FY 2016-17	Assessing officer

- (viii) Based on our audit procedures and as per the information and explanations given by the management, the company has not defaulted in repayment of dues to banks and financial institution and dues to debenture holders. The Company has not borrowed any funds from the government.
- (ix) In our opinion and according to the information and explanations given to us, term loans has been applied for the purpose it was raised.
- (x) According to the information & explanations given to us, no fraud by the company or on the company by its officers or employees has been noticed or reported during the course of our audit.
- (xi) According to the information and explanation given to us and based on our examination of the records of the Company, the Company has paid / provided for managerial remuneration in accordance with the requisite approvals mandate by the provision of section 197 read with schedule V of the Act.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, paragraph 3 (xii) of the Order is not applicable.
- (xiii) According to the information and explanation given to us and based on our examination of the records of the Company, transactions with related parties are in compliance with of section 177 and 188 of the Act, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.
- (xiv) The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- (xv) According to the information and explanation given to us and based on our examination of the records of the Company, the Company has not entered into any non-cash transactions with the directors or persons connected with him. Accordingly, paragraph 3 (xv) of the Order is not applicable.



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- (xvi) In our opinion and according to the information and explanation given to us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

*For S G C O & Co. LLP*

Chartered Accountants

*Firm Reg. No. 112081W/W100184*

*Suresh Murarka*

Partner

Mem No : 44739

Place : Mumbai

Date : 30<sup>th</sup> June 2020

UDIN : *20044739 AAAAC44392*



Annexure "B" to the Independent Auditor's Report of even date on the Standalone financial statements of Waaree Energies Limited for the year ended 31<sup>st</sup> March 2020.

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

We have audited the internal financial controls over financial reporting of Waaree Energies Limited ("the Company") as of March 31, 2020 in conjunction with our audit of the Standalone Ind AS financial statements of the Company for the year ended on that date.

**Management's Responsibility for Internal Financial Controls**

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal controls over financial reporting criteria established by the Company considering the essential components of internal controls stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") 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 Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 ("the Act").

**Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, 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, both applicable to an audit of Internal Financial Controls and, both issued by the ICAI. 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 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 system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal controls based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone Ind AS 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 Company's internal financial control system over financial reporting.



**Meaning of Internal Financial Controls over Financial Reporting**

A company's internal financial controls over financial reporting 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 controls over financial reporting 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**

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

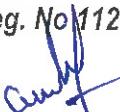
**Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For S G C O & Co. LLP**

Chartered Accountants

Firm Reg. No 112081W/W100184

  
Suresh Murarka  
Partner  
Mem. No. 44739

Place: Mumbai

Date: 30<sup>th</sup> June 2020

UDIN: 20044739AAAAAC44392

**WAAREE ENERGIES LIMITED**  
Balance Sheet as at March 31, 2020

(₹ in Millions)

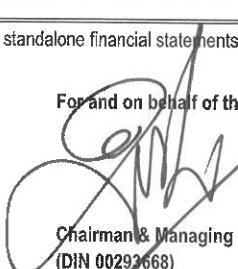
Particulars	Note No.	As at March 31, 2020	As at March 31, 2019
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	2	809.67	899.27
Right to use assets	2	299.63	-
Investment property	2	3.48	3.48
Intangible assets	2	49.91	37.10
Intangible assets under development	2	-	2.14
<b>Financial assets</b>			
Investments	3	1,160.32	959.16
Trade receivables	4	57.89	126.50
Security deposits	5	30.49	31.54
Other financial assets	6	350.20	107.75
Deferred tax assets (net)	7 (d)	14.33	-
Income tax assets (net)	8	25.64	3.24
Other non-current assets	9	39.80	14.19
<b>Total non-current assets</b>		<b>2,841.36</b>	<b>2,184.37</b>
<b>Current assets</b>			
Inventories	10	2,430.45	1,003.30
<b>Financial assets</b>			
Current investments	11	34.56	-
Trade receivables	12	1,537.59	2,151.48
Cash and cash equivalents	13	62.37	222.00
Bank balances other than cash and cash equivalents	14	354.63	971.59
Loans	15	397.91	522.99
Other financial assets	16	407.72	221.83
Other current assets	17	438.43	604.38
<b>Total current assets</b>		<b>5,663.66</b>	<b>5,697.56</b>
<b>Total Assets</b>		<b>8,505.02</b>	<b>7,881.94</b>
<b>Equity and Liabilities</b>			
<b>Equity</b>			
Equity share capital	18	1,971.38	1,971.38
Other equity	19	1,059.09	639.43
<b>Total equity</b>		<b>3,030.47</b>	<b>2,610.81</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
<b>Financial liabilities</b>			
Borrowings	20	333.15	658.33
Lease liabilities	21	274.01	-
Long-term provisions	22	258.26	176.21
Deferred tax liabilities (net)	7 (d)	-	16.88
Other non-current liabilities	23	23.70	2.40
<b>Total non-current liabilities</b>		<b>889.12</b>	<b>853.82</b>
<b>Current liabilities</b>			
<b>Financial liabilities</b>			
Borrowings	24	173.39	-
Lease liabilities	25	40.68	-
Trade payables			
Total outstanding dues of micro enterprises and small enterprises	26	68.57	6.05
Total outstanding dues of creditors other than micro enterprises and small enterprises		2,928.40	3,071.78
Other financial liabilities	27	344.74	585.41
Provisions	28	134.13	36.92
Other current liabilities	29	895.52	717.15
<b>Total current liabilities</b>		<b>4,585.43</b>	<b>4,417.31</b>
<b>Total Equity and Liabilities</b>		<b>8,505.02</b>	<b>7,881.94</b>

Notes 1 to 54 form an integral part of the standalone financial statements  
In terms of our report of even date

For S G C O & Co. LLP  
Chartered Accountants  
Firm Reg No. 112081W/W100184

Suresh Murarka  
Partner  
Membership No. 44739

Place: Mumbai  
Date: 30th June 2020

For and on behalf of the Board  
  
Chairman & Managing Director  
(DIN 00293668)

Place: Mumbai  
Date: 30th June 2020

Director & CFO  
(DIN 00207506)

Company Secretary



**WAAREE ENERGIES LIMITED**

**Statement of Profit and Loss for the year ended March 31, 2020**

(₹ in Millions)

Particulars	Note No.	Year Ended March 31, 2020	Year Ended March 31, 2019
<b>Income</b>			
Revenue from operations	30	20,267.83	16,045.71
Other income	31	236.63	176.92
<b>Total income</b>		<b>20,504.46</b>	<b>16,222.63</b>
<b>Expenses</b>			
Cost of materials consumed	32	14,523.68	11,402.75
Purchases of stock-in-trade	33	2,166.90	1,254.61
Changes in inventories of finished goods (incl. stock-in-trade) and work-in-progress	34	(190.57)	57.18
Other manufacturing and EPC project expenses	35	769.30	695.03
Employee benefits expense	36	545.89	455.97
Sales, administration, and other expenses	37	1,513.52	1,276.36
Finance costs	38	307.43	309.84
Depreciation and amortization expense	39	260.09	186.98
<b>Total expenses</b>		<b>19,896.24</b>	<b>15,638.72</b>
<b>Profit before exceptional items and tax</b>		<b>608.22</b>	<b>583.91</b>
Add/(Less) : Exceptional Items	40	-	11.80
<b>Profit before tax</b>		<b>608.22</b>	<b>595.71</b>
Tax expenses	7		
Current tax		192.64	169.89
Tax for earlier years		(7.70)	0.56
Deferred tax		(30.45)	45.54
<b>Profit for the year</b>		<b>453.73</b>	<b>379.72</b>
<b>Other Comprehensive Income</b>			
<b>Items that will not be reclassified to Profit or loss</b>			
- Remeasurement of the net defined benefit liability / asset, net		(3.01)	4.03
- Fair value changes on derivatives designated as cashflow hedge		(1.61)	2.47
- Income tax effect on above		0.76	(2.27)
		(3.86)	4.23
<b>Total Comprehensive income for the year (after tax)</b>		<b>449.87</b>	<b>383.95</b>
Earnings per equity share: (Nominal value of Rs. 10/- each)	41	2.30	1.93
- Basic & Diluted			

Notes 1 to 54 form an integral part of the standalone financial statements  
In terms of our report of even date

For S G C O & Co. LLP

Chartered Accountants

Firm Reg No. 112081W/W100184

Suresh Murarka

Partner

Membership No. 44739

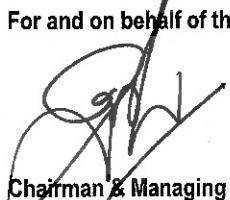


For and on behalf of the Board

Chairman & Managing Director  
(DIN 00293668)

Director & CFO  
(DIN 00207506)

Company Secretary


Place: Mumbai

Date: 30th June 2020

Place: Mumbai

Date: 30th June 2020



**WAAREE ENERGIES LIMITED**  
Cash Flow for the year ended March 31, 2020

( ₹ in Millions )		
	Year Ended March 31, 2020	Year Ended March 31, 2019
<b>A. Cash flow from operating activities :</b>		
Profit before exceptional items and tax	608.22	583.92
<b>Add / (less) : Adjustments for</b>		
Depreciation and amortisation	260.09	186.98
Interest expense	222.62	279.92
Remeasurement of defined benefit plans	(3.01)	4.04
Fair value changes on derivatives designated as cashflow hedge	-	2.47
Interest income	(127.08)	(111.19)
(Profit)/loss on unrealised exchange difference	63.74	(25.26)
(Profit)/loss on disposal of property, plant and equipment	0.29	(0.87)
(Profit)/loss on disposal of current investment	(0.58)	(0.20)
Gain on change in fair value of investment	(0.57)	-
Impairment in value of investment	0.55	-
Provision for doubtful advance	4.40	-
Share of Loss in LLP	0.00	0.02
Provision for warranty	85.77	65.18
Allowance for credit losses on financial assets	8.52	1.46
<b>Operating profit before working capital changes</b>	1,122.96	986.45
<b>Add / (less) : Adjustments for change in working capital</b>		
(Increase) / decrease in inventory	(1,427.17)	(41.79)
(Increase) / decrease in trade receivables	673.98	(1,241.77)
(Increase) / decrease in current loans	125.07	19.76
(Increase) / decrease in other current financial assets	(185.87)	(209.35)
(Increase) / decrease in other current assets	161.55	(480.47)
Increase / (decrease) in provision	(4.11)	(45.12)
Increase / (decrease) in trade payables	(144.59)	761.98
Increase / (decrease) in other current financial liabilities	(177.98)	105.66
Increase / (decrease) in other current liabilities	168.58	415.76
<b>Cash generated from operations</b>	312.42	271.10
Add/(less) : Exceptional Items	-	11.80
Add / (less) : Direct taxes paid (net of refund)	312.42	282.90
<b>Net cash inflow / (outflow) from operating activities</b>	(109.72)	(166.53)
	202.70	116.37
<b>B. Cash flow from investing activities :</b>		
Acquisition of property, plant and equipment / intangible assets	(100.82)	(558.96)
Capital work in progress	-	(2.14)
Proceeds from sale of property, plant and equipment	0.81	6.08
Investment in current investment	(404.00)	(210.00)
Sale proceeds from sale of current investment	370.58	210.20
Investment in Subsidiaries/ associates	(201.71)	(0.18)
Proceeds from sale of Subsidiary	-	2,112.33
Interest Received	127.08	111.19
Fixed deposits with banks	374.51	(872.75)
Long term loans and advances received back / (given)	(24.55)	76.18
<b>Net cash inflow / (outflow) from investing activities</b>	141.90	871.96
<b>C. Cash flow from financing activities :</b>		
Proceeds / (repayment) of borrowings	(221.56)	(506.29)
Repayment of lease liabilities	(60.05)	-
Interest paid	(222.62)	(279.92)
<b>Net cash inflow / (outflow) from financing activities</b>	(504.23)	(786.21)
<b>Net increase / (decrease) in cash and cash equivalents ( A+B+C )</b>	(159.63)	202.12
Add: Cash and Cash Equivalents at the beginning of year	222.00	19.89
<b>Cash and cash equivalents at the end of year</b>	62.37	222.00



**WAAREE ENERGIES LIMITED**  
**Cash Flow for the year ended March 31, 2020**

( ₹ in Millions )

Components of cash and cash equivalents considered only for the purpose of cash flow statement :		
Particulars	As at March 31, 2020	As at March 31, 2019
Cash on hand	0.16	0.05
Balance with banks	60.95	221.95
Fixed deposit with original maturity of less than 3 months	1.26	-
<b>Total</b>	<b>62.37</b>	<b>222.00</b>

**Notes :**

1. Statement of cash flows has been prepared under the indirect method as set out in the Ind AS 7 "Statement of Cash Flows" as specified in the Companies (Indian Accounting Standards) Rules, 2015.
2. Previous year's figures have been regrouped/reclassified, wherever applicable.

As per our attached report of even date

For S G C O & Co. LLP

Chartered Accountants

Firm Registration No. 112081W/W100184

Suresh Murarka

Partner

Membership No. 44739



For and on behalf of the Board

Chairman &  
Managing Director  
(DIN 00293668)

Director & CFO  
(DIN 00207506)

Company Secretary



Place : Mumbai

Date: 30th June 2020

Place : Mumbai

Date: 30th June 2020

**WAAREE ENERGIES LIMITED**  
**Statement of changes in equity for the year ended March 31, 2020**

**Equity Share Capital :**

Particulars	Number	₹ in Millions
<b>As at March 31, 2019</b>	<b>19,71,38,492</b>	<b>1,971.38</b>
Issue of equity shares	-	-
<b>As at March 31, 2020</b>	<b>19,71,38,492</b>	<b>1,971.38</b>

**Other Equity**

( ₹ in Millions )

Particulars	Debenture Redemption Reserve	Retained Earnings	Other Comprehensive Income	Total
<b>Balance as at April 1, 2018</b>	250.00	6.71	(1.23)	255.48
Creation of debenture redemption reserve	125.00	(125.00)	-	-
Utilised for issue of bonus shares	(237.50)	237.50	-	-
Total comprehensive income for the year	-	379.72	4.23	383.95
<b>Balance as at March 31, 2019</b>	<b>137.50</b>	<b>498.93</b>	<b>3.00</b>	<b>639.43</b>
<b>Balance as at April 1, 2019</b>	<b>137.50</b>	<b>498.93</b>	<b>3.00</b>	<b>639.43</b>
Transfer to retained earnings on redemption of debentures	(79.00)	79.00	-	-
Transition Impact on adoption of Ind AS 116 ( Refer Note 46 )	-	(30.21)	-	(30.21)
Total comprehensive income for the year	-	453.73	(3.86)	449.87
<b>Balance as at March 31, 2020</b>	<b>58.50</b>	<b>1,001.45</b>	<b>(0.86)</b>	<b>1,059.09</b>

Notes 1 to 54 form an integral part of the standalone financial statements

In terms of our report of even date

**For S G C O & Co. LLP**

Chartered Accountants

Firm Registration No. 112081W/W100184

Suresh Murarka

Partner

Membership No. 44739



**For and on behalf of the Board**

Chairman & Managing Director  
(DIN 00293668)

Company Secretary

Place: Mumbai

Date: 30th June 2020

Director & CFO  
(DIN 00207506)



Place: Mumbai

Date: 30th June 2020

## WAAREE ENERGIES LIMITED

### Accompanying notes to the Financial Statements for the year ended March 31, 2020

#### Note 1.1 Significant Accounting Policies

##### A Corporate Information

Waaree Energies Limited is an Unlisted Public Company registered in India, under Companies Act 1956, and was incorporated in January 1990. The Company is mainly engaged in the business of manufacture of Solar PV Modules & setting up of Projects in solar space. The registered office of the Company is located at Mumbai, India and the manufacturing plants are at Vapi and Surat, Gujarat State, India.

##### B Basis of Preparation

The financial statements of the Company have been prepared to comply in all material respects with the Indian Accounting Standards ("Ind AS") notified under the Companies (Accounting Standards) Rules, 2015.

The financial statements have been prepared under the historical cost convention with the exception of certain financial assets and liabilities which have been measured at fair value, on an accrual basis of accounting.

All the assets and liabilities have been classified as current and non-current as per normal operating cycle of the Company and other criteria set out in as per the guidance set out in Schedule III to the Act. Based on nature of services, the Company ascertained its operating cycle as 12 months for the purpose of current and non-current classification of asset and liabilities.

The Company's financial statements are reported in Indian Rupees, which is also the Company's functional currency, and all values are rounded to the nearest millions (INR 000,000), except when otherwise indicated.

##### C Accounting Estimates

The preparation of the financial statements, in conformity with the Ind AS, requires the management to make estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities and disclosure of contingent liabilities as at the date of financial statements and the results of operation during the reported period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates which are recognised in the period in which they are determined.

###### Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.

###### Deferred tax assets

In assessing the realisability of deferred income tax assets, management considers whether some portion or all of the deferred income tax assets will not be realized. The ultimate realization of deferred income tax assets is dependent upon the generation of future taxable income during the periods in which the temporary differences become deductible. Management considers the scheduled reversals of deferred income tax liabilities, projected future taxable income, and tax planning strategies in making this assessment. Based on the level of historical taxable income and projections for future taxable income over the periods in which the deferred income tax assets are deductible, management believes that the Company will realize the benefits of those deductible differences. The amount of the deferred income tax assets considered realizable, however, could be reduced in the near term if estimates of future taxable income during the carry forward period are reduced.

###### Defined benefit plans

The cost and present value of the gratuity obligation and compensated absences 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, attrition rate 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.



## WAAREE ENERGIES LIMITED

### Accompanying notes to the Financial Statements for the year ended March 31, 2020

#### Note 1.1 Significant Accounting Policies

##### D Property, Plant and Equipment

Property, Plant and Equipment are stated at cost of acquisition including attributable interest and finance costs, if any, till the date of acquisition/ installation of the assets less accumulated depreciation and accumulated impairment losses, if any. Subsequent expenditure relating to Property, Plant and Equipment is capitalised only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance costs are charged to the Statement of Profit and Loss as incurred. The cost and related accumulated depreciation are eliminated from the financial statements, either on disposal or when retired from active use and the resultant gain or loss are recognised in the Statement of Profit and Loss.

Capital work-in-progress, representing expenditure incurred in respect of assets under development and not ready for their intended use, are carried at cost. Cost includes related acquisition expenses, construction cost, related borrowing cost and other direct expenditure.

##### E Intangible Assets

Intangible assets includes software are stated at cost less accumulated amortisation.

##### F Leases

The Company, as a lessee, recognises a right-of-use asset and a lease liability for its leasing arrangements, if the contract conveys the right to control the use of an identified asset.

The contract conveys the right to control the use of an identified asset, if it involves the use of an identified asset and the Company has substantially all of the economic benefits from use of the asset and has right to direct the use of the identified asset. The cost of the right-of-use asset shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date plus any initial direct costs incurred. The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The right-of-use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset.

The Company measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Company uses incremental borrowing rate.

##### G Service concession arrangement :

###### Revenue

Revenue is measured at the fair value of consideration received or receivable. Revenue from power generation business is accounted on the basis of billings to the power off takers and includes unbilled revenue accrued upto the end of accounting year. Power off takers are billed as per tariff rate, agreed in purchase power agreement. Operating or service revenue is recognised in the period in which services are rendered by the Company.

###### Financial assets

The Company recognises a financial asset arising from a service concession arrangement when it has an unconditional contractual right to receive cash or another financial asset from or at the discretion of the grantor for the construction. Such financial assets are measured at fair value at initial recognition and classification as loans and receivables . Subsequent to initial recognition, the financial asset are measured at amortised cost.

###### Intangible assets

The company recognises an intangible asset arising from a service concession arrangement when it has right to charge for usage of the concession infrastructure. An intangible asset received as consideration for providing construction services in service concession arrangement is measured at cost, less accumulated amortisation and accumulated impairment losses, if any. Internal technical team or user assess the useful lives of intangible asset. Management believes that assigned useful lives of 24 years - 25 years of solar power projects are reasonable.

###### Determination of fair value

The fair value of intangible assets is determined by contract price paid for construction of solar power project.



## WAAREE ENERGIES LIMITED

### Accompanying notes to the Financial Statements for the year ended March 31, 2020

#### Note 1.1 Significant Accounting Policies

##### H Depreciation/ Amortisation

###### **Depreciation/ Amortisation is provided as stated below:-**

- i) Depreciation on all Property, plant and equipment is provided on 'Straight Line Method' at the rates and in the manner prescribed in the Schedule II of the Companies Act, 2013. Depreciations on additions & deletions made during the year is provided on pro-rata basis from & upto the date of acquisitions and deletions of assets respectively. Management believes that useful life of assets are same as those prescribed in Schedule II of the Act, except for plant and machinery. The Company considers 5 to 10 years useful life for plant and machinery based on technical evaluation.
- ii) Leasehold improvement are written off over five year period.
- iii) Intangible assets are amortised over a period of four years.

##### I Investment Property

Investment properties are held to earn rentals or for capital appreciation, or both. Investment properties are measured initially at their cost of acquisition. The cost comprises purchase price, borrowing cost if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discount and rebates are deducted in arriving at the purchase price.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company. All other repair and maintenance costs are recognised in statement of profit and loss as incurred.

Though the Company measures investment property using cost based measurement, the fair value of investment property is disclosed in the notes. Fair values are determined based on an annual evaluation performed by an accredited external independent valuer who holds a recognised and relevant professional qualification and has recent experience in the location and category of the investment property being valued.

Investment Property is initially measured at cost including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and accumulated impairment loss, if any.

Any gain or loss on disposal of investment property calculated as the difference between the net proceeds from disposal and the carrying amount of the item is recognised in Statement of Profit & Loss.

##### J 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.

###### a) Financial Assets

###### **Initial Recognition**

In the case of financial assets, not recorded at fair value through profit or loss (FVTPL), financial assets are recognised initially at fair value plus transaction costs that are directly attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

###### **Subsequent Measurement**

For purposes of subsequent measurement, financial assets are classified in following categories:

###### **Financial Assets at Amortised Cost**

Financial assets are subsequently measured at amortised cost if these financial assets are held within a business model with an objective 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. Interest income from these financial assets is included in finance income using the effective interest rate ("EIR") method. Impairment gains or losses arising on these assets are recognised in the Statement of Profit and Loss.



## WAAREE ENERGIES LIMITED

### Accompanying notes to the Financial Statements for the year ended March 31, 2020

#### Note 1.1 Significant Accounting Policies

##### Derivative Financial instruments

The Company holds derivative financial instruments such as foreign exchange forward and options contracts to mitigate the risk of changes in exchange rates on foreign currency exposures. The counterparty for these contracts is generally a bank.

###### (i) Financial assets or financial liabilities, at fair value through profit or loss.

This category includes derivative financial assets or liabilities which are not designated as hedges. Although the Company believes that these derivatives constitute hedges from an economic perspective, they may not qualify for hedge accounting under Ind AS 109, Financial Instruments. Any derivative that is either not designated as hedge, or is so designated but is ineffective as per Ind AS 109, is categorized as a financial asset or financial liability, at fair value through profit or loss.

Derivatives not designated as hedges are recognized initially at fair value and attributable transaction costs are recognized in net profit in the Statement of Profit and Loss when incurred. Subsequent to initial recognition, these derivatives are measured at fair value through profit or loss and the resulting exchange gains or losses are included in other income. Assets / liabilities in this category are presented as current assets / current liabilities if they are either held for trading or are expected to be realized within 12 months after the Balance Sheet date.

###### (ii) Cash flow hedge

The Company designates certain foreign exchange forward and options contracts as cash flow hedges to mitigate the risk of foreign exchange exposure on highly probable forecast cash transactions.

When a derivative is designated as a cash flow hedge instrument, the effective portion of changes in the fair value of the derivative is recognized in other comprehensive income and accumulated in the cash flow hedge reserve. Any ineffective portion of changes in the fair value of the derivative is recognized immediately in the net profit in the Statement of Profit and Loss. If the hedging instrument no longer meets the criteria for hedge accounting, then hedge accounting is discontinued prospectively. If the hedging instrument expires or is sold, terminated or exercised, the cumulative gain or loss on the hedging instrument recognized in cash flow hedge reserve till the period the hedge was effective remains in cash flow hedge reserve until the forecasted transaction occurs. The cumulative gain or loss previously recognized in the cash flow hedge reserve is transferred to the net profit in the Statement of Profit and Loss upon the occurrence of the related forecasted transaction. If the forecasted transaction is no longer expected to occur, then the amount accumulated in cash flow hedge reserve is reclassified to net profit in the Statement of Profit and Loss.

##### Financial Assets Measured at Fair Value

Financial assets are measured at fair value through OCI if these financial assets are held within a business model with an objective to hold these assets in order to collect contractual cash flows or to sell these 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. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in the Statement of Profit and Loss.

Financial asset not measured at amortised cost or at fair value through OCI is carried at FVTPL.



## WAAREE ENERGIES LIMITED

### Accompanying notes to the Financial Statements for the year ended March 31, 2020

#### Note 1.1 Significant Accounting Policies

##### **Impairment of Financial Assets**

In accordance with Ind AS 109, the Company applies the expected credit loss ("ECL") model for measurement and recognition of impairment loss on financial assets and credit risk exposures.

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables. Simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECL at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

ECL is the difference between all contractual cash flows that are due to the group in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR. Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

ECL impairment loss allowance (or reversal) recognised during the period is recognised as income/ expense in the Statement of Profit and Loss.

##### **De-recognition of Financial Assets**

The Company de-recognises a financial asset only when the contractual rights to the cash flows from the asset expire, or it transfers the financial asset and the transfer qualifies for derecognition under IND AS 109.

##### **b) Equity Instruments and Financial Liabilities**

Financial liabilities and equity instruments issued by the Company are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

##### **Equity Instruments**

An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Equity instruments which are issued for cash are recorded at the proceeds received, net of direct issue costs. Equity instruments which are issued for consideration other than cash are recorded at fair value of the equity instrument.

##### **Financial Liabilities**

###### **1) Initial Recognition**

Financial liabilities are classified, at initial recognition, as financial liabilities at FVTPL, loans and borrowings and payables as appropriate. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

###### **2) Subsequent Measurement**

The measurement of financial liabilities depends on their classification, as described below

###### **Financial liabilities at FVTPL**

Financial liabilities at FVTPL include financial liabilities held for trading and financial liabilities designated upon initial recognition as at FVTPL. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. Gains or losses on liabilities held for trading are recognised in the Statement of Profit and Loss.

###### **Financial liabilities at amortised cost**

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Any difference between the proceeds (net of transaction costs) and the settlement or redemption of borrowings is recognised over the term of the borrowings in the Statement of Profit and Loss.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the Statement of Profit and Loss.



## WAAREE ENERGIES LIMITED

### Accompanying notes to the Financial Statements for the year ended March 31, 2020

#### **Note 1.1 Significant Accounting Policies**

##### **3) De-recognition of Financial Liabilities**

Financial liabilities are de-recognised when the obligation specified in the contract is discharged, cancelled or expired. 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 de-recognition of the original liability and recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

##### **c) Offsetting 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.

#### **K Employee Benefits**

##### **a Defined Contribution Plan**

Contributions to defined contribution schemes such as provident fund are charged as an expense based on the amount of contribution required to be made as and when services are rendered by the employees. The above benefits are classified as Defined Contribution Schemes as the Company has no further obligations beyond the monthly contributions.

##### **b Defined Benefit Plan**

The Company also provides for gratuity which is a defined benefit plan, the liabilities of which is determined based on valuations, as at the balance sheet date, made by an independent actuary using the projected unit credit method. Re-measurement, comprising of actuarial gains and losses, in respect of gratuity are recognised in the OCI, in the period in which they occur. Re-measurement recognised in OCI are not reclassified to the Statement of Profit and Loss in subsequent periods. Past service cost is recognised in the Statement of Profit and Loss in the year of plan amendment or curtailment. The classification of the Company's obligation into current and non-current is as per the actuarial valuation report.

##### **c Leave entitlement and compensated absences**

Accumulated leave which is expected to be utilised within next twelve months, is treated as short-term employee benefit. Leave entitlement, other than short term compensated absences, are provided based on a actuarial valuation, similar to that of gratuity benefit. Re-measurement, comprising of actuarial gains and losses, in respect of leave entitlement are recognised in the Statement of Profit and Loss in the period in which they occur.

##### **d Short-term Benefits**

Short-term employee benefits such as salaries, wages, performance incentives etc. are recognised as expenses at the undiscounted amounts in the Statement of Profit and Loss of the period in which the related service is rendered. Expenses on non-accumulating compensated absences is recognised in the period in which the absences occur.

##### **e Termination benefits**

Termination benefits are recognised as an expense as and when incurred.

#### **L Cash and Cash Equivalents**

Cash and cash equivalents in the Balance Sheet comprises of cash at banks and on hand and short-term deposits with an original maturity of three month or less, which are subject to an insignificant risk of changes in value.

#### **M Borrowing Costs**

Borrowing costs consist of interest and other costs that the Company incurs in connection with the borrowing of funds. Also, the EIR amortisation is included in finance costs.

Borrowing costs relating to acquisition, construction or production of a qualifying asset which takes substantial period of time to get ready for its intended use are added to the cost of such asset to the extent they relate to the period till such assets are ready to be put to use. All other borrowing costs are expensed in the Statement of Profit and Loss in the period in which they occur.

#### **N Foreign Exchange Translation and Accounting of Foreign Exchange Transaction**

##### **a Initial Recognition**

Foreign currency transactions are initially recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction. However, for practical reasons, the Company uses a monthly average rate if the average rate approximate the actual rate at the date of the transactions.



**WAAREE ENERGIES LIMITED**

**Accompanying notes to the Financial Statements for the year ended March 31, 2020**

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**Note 1.1 Significant Accounting Policies**

**b Conversion**

Monetary assets and liabilities denominated in foreign currencies are reported using the closing rate at the reporting date. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction.

**c Treatment of Exchange Difference**

Exchange differences arising on settlement/ restatement of short-term foreign currency monetary assets and liabilities of the Company are recognised as income or expense in the Statement of Profit and Loss except those arising from investment in Non Integral operations.

**D Revenue Recognition**

a Revenue is recognised to the extent it is probable that the economic benefits will flow to the Company and that the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government. The Company assesses its revenue arrangements against specific criteria, i.e., whether it has exposure to the significant risks and rewards associated with the sale of goods or the rendering of services, in order to determine if it is acting as a principal or as an agent. Revenue is recognised, net of trade discounts, sales tax, service tax, VAT or other taxes, as applicable.

b Contract Revenue in respect of projects for solar power plants , involving designing, engineering, supply, erection (or supervision thereof), commissioning, guaranteeing performance thereof etc., execution of which is spread over more than one accounting periods is recognized on the basis of percentage of completion method, measured by reference to the percentage of cost incurred upto the reporting date to estimated total cost for each contract.

Determination of revenues under the percentage of completion method necessarily involves making estimates by the management (some of which are of a technical nature) of the expected costs to completion, the expected revenues from each contract (adjusted for probable liquidation damages, if any) and the foreseeable losses to completion. When it is probable that the total contract costs will exceed the total contract revenue, the expected loss is recognised as an expense immediately.

c Revenue in respect of operation and maintenance contracts is recognised on the basis of time proportion.

d Revenue from domestic sales of goods is recognized when the significant risks and the rewards of ownership of the goods are passed on to the buyer (i.e. on dispatch of goods) except revenue from contracts in relation to government tenders which is recognised once the goods are supplied to the subcontractor at the site for installation.Revenue from the sale of goods is measured at the fair value of consideration received or receivable, net of returns and allowances and discounts.

e For all financial assets measured either at amortised cost or at fair value through other comprehensive income, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses. Interest income is recognized on a time proportion basis taking into account the amount outstanding. Interest income is included under the head "other income" in the Statement of Profit and Loss.

f Dividend income is recognised when right to receive the payment is established.

g Claims for insurance are accounted on receipts/ on acceptance of claim by insurer.

**P Government Grant**

Government Grants are recognized at their fair value when there is reasonable assurance that the grant will be received and all the attached conditions will be complied with.

When the grant relates to an expense item, it is recognized as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. Government grant related to the non-monetary asset are recognised at nominal value and presented by deducting the same from carrying amount of related asset and the grant is then recognised in profit or loss over the useful life of the depreciable asset by way of a reduced depreciation charge



## WAAREE ENERGIES LIMITED

### Accompanying notes to the Financial Statements for the year ended March 31, 2020

#### Note 1.1 Significant Accounting Policies

##### **Q. Taxes on Income**

Income tax comprises of current and deferred income tax. Income tax is recognised as an expense or income in the Statement of Profit and Loss, except to the extent it relates to items directly recognised in equity or in OCI.

##### **a Current Income Tax**

Current income tax is recognised based on the estimated tax liability computed after taking credit for allowances and exemptions in accordance with the Income Tax Act, 1961 and is made annually based on the tax liability after taking credit for tax allowances and exemptions. 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.

Current Tax items are recognised in correlation to the underlying transaction either in Statement of Profit And Loss, other comprehensive income or directly in equity

##### **b Deferred Income Tax**

Deferred tax is determined by applying the Balance Sheet approach. Deferred tax assets and liabilities are recognised for all deductible temporary differences between the financial statements' carrying amount of existing assets and liabilities and their respective tax base. Deferred tax assets and liabilities are measured using the enacted tax rates or tax rates that are substantively enacted at the Balance Sheet date. The effect on deferred tax assets and liabilities of a change in tax rates is recognised in the period that includes the enactment date. Deferred tax assets are only recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised. Such assets are reviewed at each Balance Sheet date to reassess realisation.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Minimum Alternative Tax ("MAT") credit is recognised as an asset only when and to the extent it is probable that the Company will pay normal income tax during the specified period.

##### **R Impairment of Non-Financial Assets**

As at each Balance Sheet date, the Company assesses whether there is an indication that a non-financial asset may be impaired and also whether there is an indication of reversal of impairment loss recognised in the previous periods. If any indication exists, or when annual impairment testing for an asset is required, the Company determines the recoverable amount and impairment loss is recognised when the carrying amount of an asset exceeds its recoverable amount.

Recoverable amount is determined:

- In case of an individual asset, at the higher of the assets' fair value less cost to sell and value in use; and
- In case of cash generating unit (a group of assets that generates identified, independent cash flows), at the higher of cash generating unit's fair value less cost to sell and value in use.

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

Impairment losses of continuing operations, including impairment on inventories, are recognised in the Statement of Profit and Loss, except for properties previously revalued with the revaluation taken to OCI. For such properties, the impairment is recognised in OCI up to the amount of any previous revaluation.

When the Company considers that there are no realistic prospects of recovery of the asset, the relevant amounts are written off. If the amount of impairment loss subsequently decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, then the previously recognised impairment loss is reversed through the Statement of Profit and Loss.



## WAAREE ENERGIES LIMITED

### Accompanying notes to the Financial Statements for the year ended March 31, 2020

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#### **Note 1.1 Significant Accounting Policies**

##### **S Inventories**

Inventories of Finished Goods, Raw-Material, Work in Process are valued at cost or net realizable value, whichever is lower. Stores & Spares and Packing Materials are valued at cost. Cost comprises of all cost of purchases and other costs incurred in bringing the inventory to their present location and conditions. Cost is arrived at on weighted average basis. Due allowance is estimated and made for defective and obsolete items, wherever necessary, based on the past experience.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

Obsolete, slow moving, surplus and defective stocks are identified at the time of physical verification of stocks and where necessary, provision is made for such stocks.

##### **T Trade receivables**

A receivable is classified as a 'trade receivable' if it is in respect of the amount due on account of goods sold or services rendered in the normal course of business. Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the EIR method, less provision for impairment.

##### **U Trade payables**

A payable is classified as a 'trade payable' if it is in respect of the amount due on account of goods purchased or services received in the normal course of business. These amounts represent liabilities for goods and services provided to the Company prior to the end of the financial year which are unpaid. These amounts are unsecured and are usually settled as per the payment terms stated in the contract. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the EIR method.

##### **V Earnings Per Share**

Basic earnings per share is computed by dividing the net profit or loss for the period attributable to the equity shareholders of the Company by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares, that have changed the number of equity shares outstanding, without a corresponding change in resources.

Diluted earnings per share is computed by dividing the net profit or loss for the period attributable to the equity shareholders of the Company and 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).

##### **W Provisions, Contingent Liabilities and Contingent Assets**

A provision is recognised when the Company has a present obligation (legal or constructive) as a result of past events and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, in respect of which a reliable estimate can be made of the amount of obligation. Provisions (excluding gratuity and compensated absences) are determined based on management's estimate required to settle the obligation at the Balance Sheet date. In case the time value of money is material, provisions are discounted using a current pre-tax rate that reflects the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost. These are reviewed at each Balance Sheet date and adjusted to reflect the current management estimates.

Contingent assets are disclosed where an inflow of economic benefit is probable. The Company shall not recognize a contingent asset unless the recovery is virtually certain.

Contingent liabilities are disclosed in respect of possible obligations that arise from past events, whose existence would be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. A contingent liability also arises, in rare cases, where a liability cannot be recognised because it cannot be measured reliably.

##### **X Exceptional Items**

When items of income and expense within profit or loss from ordinary activities are of such size, nature or incidence that their disclosure is relevant to explain the performance of the enterprise for the period, the nature and amount of such material items are disclosed separately as exceptional items.



**WAAREE ENERGIES LIMITED**  
 Notes to the Financial Statements for the year ended March 31, 2020

Note 2 : Property, plant and equipment

(₹ in Millions)

Particulars	Leasehold Land	Land - Freehold	Factory Building	Plant & Machinery	Electrical Installations	Computer & Printers	Office Equipments	Furniture & Fixture	Vehicles	Leasehold Improvements	Total	Capital Work in Progress
<b>Year ended March 31, 2019</b>												
<b>Gross Carrying Amount</b>												
Balance as at April 1, 2018	29.56	2.99	61.45	281.25	8.56	19.45	5.60	14.44	17.96	29.94	471.19	-
Additions	-	-	-	759.33	29.06	4.93	4.55	2.51	7.52	22.80	830.69	-
Disposals	-	-	-	(60.97)	-	-	-	-	-	-	(60.97)	-
Transfers	-	-	-	-	-	-	-	-	-	-	-	-
<b>Balance as at March 31, 2019</b>	<b>29.56</b>	<b>2.99</b>	<b>61.45</b>	<b>979.60</b>	<b>37.62</b>	<b>24.37</b>	<b>10.14</b>	<b>16.96</b>	<b>25.48</b>	<b>52.74</b>	<b>1,240.91</b>	<b>-</b>
<b>Accumulated Depreciation</b>												
Balance as at April 1, 2018	3.93	-	17.74	123.40	5.99	16.34	3.33	5.52	7.08	29.86	213.18	-
Depreciation charge during the year	0.37	-	2.00	167.40	2.82	2.59	1.63	1.64	2.71	3.10	184.24	-
Disposals	-	-	-	(55.77)	-	-	-	-	-	-	(55.77)	-
<b>Balance as at March 31, 2019</b>	<b>4.30</b>	<b>-</b>	<b>19.74</b>	<b>235.03</b>	<b>8.80</b>	<b>18.93</b>	<b>4.96</b>	<b>7.15</b>	<b>9.79</b>	<b>32.96</b>	<b>341.66</b>	<b>-</b>
<b>Net Carrying Amount as at March 31, 2019</b>	<b>25.26</b>	<b>2.99</b>	<b>41.71</b>	<b>744.57</b>	<b>28.81</b>	<b>5.45</b>	<b>5.19</b>	<b>9.81</b>	<b>15.70</b>	<b>19.78</b>	<b>899.26</b>	<b>-</b>
<b>Year ended March 31, 2020</b>												
<b>Gross Carrying Amount</b>												
Balance as at April 1, 2019	29.56	2.99	61.45	979.60	37.62	24.37	10.14	16.96	25.48	52.74	1,240.91	-
Additions	-	-	-	132.96	-	6.13	1.45	3.83	2.61	-	146.98	-
Disposals	-	-	-	-	-	-	-	-	(2.62)	-	(2.62)	-
Transfers *	(29.56)	-	-	-	-	-	-	-	-	-	(29.56)	-
<b>Balance as at March 31, 2020</b>	<b>-</b>	<b>2.99</b>	<b>61.45</b>	<b>1,112.56</b>	<b>37.62</b>	<b>30.50</b>	<b>11.59</b>	<b>20.79</b>	<b>25.47</b>	<b>52.74</b>	<b>1,355.71</b>	<b>-</b>
<b>Accumulated Depreciation</b>												
Balance as at April 1, 2019	4.30	-	19.74	235.03	8.80	18.93	4.96	7.15	9.79	32.96	341.66	-
Depreciation charge during the year	-	-	2.00	189.09	3.21	5.11	1.68	1.76	2.78	4.57	210.20	-
Disposals *	(4.30)	-	-	-	-	-	-	-	(1.52)	-	(5.82)	-
<b>Balance as at March 31, 2020</b>	<b>-</b>	<b>2.99</b>	<b>21.74</b>	<b>424.12</b>	<b>12.01</b>	<b>24.04</b>	<b>6.64</b>	<b>8.91</b>	<b>11.05</b>	<b>37.54</b>	<b>546.04</b>	<b>-</b>
<b>Net Carrying Amount as at March 31, 2020</b>	<b>-</b>	<b>2.99</b>	<b>39.71</b>	<b>688.44</b>	<b>25.61</b>	<b>6.45</b>	<b>4.94</b>	<b>11.88</b>	<b>14.40</b>	<b>15.20</b>	<b>809.67</b>	<b>-</b>

\* Reclassified on account of adoption of Ind AS 116



**WAAREE ENERGIES LIMITED**  
 Notes to the Financial Statements for the year ended March 31, 2020

**Right to use assets**

Particulars	Leasehold Land	Factory Premises	Office Premises	Total
<b>Year ended March 31, 2020</b>				
<b>Gross Carrying Amount</b>				
Balance as at April 1, 2019	-	-	-	-
Transition impact on adoption of Ind AS 116 Reclassified from property, plant and equipment on account of adoption of Ind AS 116	-	233.75	87.26	321.01
Additions	25.26	-	-	25.26
Disposals	-	-	-	-
Transfers	-	-	-	-
<b>Balance as at March 31, 2020</b>	<b>25.26</b>	<b>233.75</b>	<b>87.26</b>	<b>346.27</b>
<b>Accumulated Depreciation</b>				
Balance as at April 1, 2019	-	-	-	-
Depreciation charge during the year	0.37	32.03	14.24	46.64
Disposals	-	-	-	-
<b>Balance as at March 31, 2020</b>	<b>0.37</b>	<b>32.03</b>	<b>14.24</b>	<b>46.64</b>
<b>Net Carrying Amount as at March 31, 2020</b>	<b>24.89</b>	<b>201.72</b>	<b>73.02</b>	<b>299.63</b>



**WAAREE ENERGIES LIMITED**  
**Notes to the Financial Statements for the year ended March 31, 2020**

( ₹ in Millions )

**Note 2 : Investment property**

**i) Following are the changes in the carrying value of investment property for the year ended March 31, 2020:**

Particulars	Land
<b>Year ended March 31, 2019</b>	
Gross carrying value as at April 1, 2018 *	3.48
Additions / deletion	-
Gross carrying value as at March 31, 2019	3.48
Accumulated depreciation as at April 1, 2018	-
Depreciation for the year	-
Accumulated depreciation as at March 31, 2019	-
<b>Carrying value as at March 31, 2019</b>	<b>3.48</b>
<b>Year ended March 31, 2020</b>	
Gross carrying value as at April 1, 2019	3.48
Additions / deletion	-
Gross carrying value as at March 31, 2020	3.48
Accumulated depreciation as at April 1, 2019	-
Depreciation for the year	-
Accumulated depreciation as at March 31, 2020	-
<b>Carrying value as at March 31, 2020</b>	<b>3.48</b>

\* Refer Note 52

**ii) Fair Value**

Particulars	As at March 31, 2020	As at March 31, 2019
Investment Properties	2.32	2.32

**Estimation of Fair value :**

The fair value taken for the Year ended March 31, 2020 and for the Year ended March 31, 2019 is based on the guideline rates prescribed by the Government of Tamilnadu. The fair value measurement is categorised in level 2 fair value hierarchy.



**WAAREE ENERGIES LIMITED**  
**Notes to the Financial Statements for the year ended March 31, 2020**

( ₹ in Millions )

**Note 2 : Intangible assets**

Particulars	Solar Power Plant *	Computer Software	Total
<b>Year Ended March 31, 2019</b>			
<b>Gross Carrying Amount</b>			
Balance as at April, 1, 2018	42.58	20.40	62.98
Additions	-	-	-
<b>Balance as at March, 31 2019</b>	<b>42.58</b>	<b>20.40</b>	<b>62.98</b>
<b>Accumulated Amortisation</b>			
Balance as at April, 1, 2018	4.58	18.56	23.14
Amortisation charge for the year	1.77	0.97	2.74
<b>Balance as at March, 31 2019</b>	<b>6.35</b>	<b>19.53</b>	<b>25.88</b>
<b>Net Carrying Amount as at March, 31 2019</b>	<b>36.23</b>	<b>0.87</b>	<b>37.10</b>
<b>Year Ended March 31, 2020</b>			
<b>Gross Carrying Amount</b>			
Balance as at April, 1, 2019	42.58	20.40	62.98
Additions	16.05	-	16.05
<b>Balance as at March, 31 2020</b>	<b>58.63</b>	<b>20.40</b>	<b>79.03</b>
<b>Accumulated Amortisation</b>			
Balance as at April, 1, 2019	6.35	19.53	25.88
Amortisation Charge for the year	2.37	0.87	3.24
<b>Balance as at March, 31 2020</b>	<b>8.72</b>	<b>20.40</b>	<b>29.12</b>
<b>Closing Net Carrying Amount as at March, 31 2020</b>	<b>49.91</b>	<b>(0.00)</b>	<b>49.91</b>

\*The Solar Power Plants includes :- (1) 0.5 MW located in the state of Madhya Pradesh awarded under tender and Power Purchase agreement (PPA) with state electricity company. (2) 400 KW Solar Roof top power plants at 16 different locations on Government Buildings / Institutions in the state of Delhi.

**Note 2 : Intangible assets under development**

Particulars	As at March 31, 2020	As at March 31, 2019
Intangible assets under development	-	2.14



**WAAREE ENERGIES LIMITED**  
**Accompanying notes to the financial statements for the year ended March 31, 2020**

( ₹ in Millions )

**Note 3 : Investments**

Particulars	As at March 31, 2020	As at March 31, 2019
<b>I. Investments valued at deemed cost</b>		
<b>Investment in equity shares</b>		
Investment in subsidiaries	322.05	120.87
Investment in associates	0.08	0.10
Investment in limited liability partnerships	738.19	738.19
	1,060.32	859.16
<b>Investment in debentures</b>		
Investment in other companies	100.00	100.00
	100.00	100.00
	1,160.32	959.16

**Note 3.1 Detailed list of non-current investments**

Particulars	As at March 31, 2020		As at March 31, 2019	
	Number	Amount	Number	Amount
<b>I. Investments valued at cost, fully paid up, unquoted, unless otherwise stated</b>				
<b>a) Investments in equity shares:</b>				
i) In subsidiaries				
(Face value of ₹ 10 each, unless otherwise stated)				
Blue Rays Solar Private Limited	1,17,84,000	117.84	1,17,84,000	117.84
Waaree Solar Energy Private Limited	2,37,750	2.38	2,37,750	2.38
Waaneep Solar One Private Limited	10,000	0.10	10,000	0.10
Sangam Renewables Limited	1,08,78,841	201.26	-	-
Waaree Power Private Limited	7,400	0.07	-	-
Sangam Solar One Private Limited	10,000	0.10	-	-
Sangam Solar Two Private Limited	10,000	0.10	-	-
Sangam Solar Three Private Limited	10,000	0.10	-	-
Sangam Solar Four Private Limited	10,000	0.10	-	-
	2,29,57,991	322.05	1,20,31,750	120.32
ii) In foreign subsidiaries				
(Face value of US \$ 1 each)				
Rasila International Pte. Limited	10,000	0.55	10,000	0.55
Less : Provision for diminution in Investment	10,000	0.55	-	-
iii) In associate				
Shalibhadra Energies Private Limited	2,778	0.03	2,778	0.03
Waa sang Solar Private Limited	-	-	2,600	0.02
Waa sang Solar One Private Limited	4,900	0.05	4,900	0.05
	7,678	0.09	10,278	0.10
iv) In limited liability partnerships				
Saswata Solar LLP#	-	738.19	-	738.19
b) Investments in compulsory convertible debentures:				
i) In other companies				
Taxus Infrastructure and Power Projects Private Limited (Face value of ₹ 1000 each)	1,00,000	100.00	1,00,000	100.00
	1,00,000	100.00	1,00,000	100.00

Particulars	As at March 31, 2020	As at March 31, 2019
<b>Details:</b>		
<b>Aggregate of non-current investments:</b>		
Aggregate amount of quoted investments and market value thereof	118.58	-
Aggregate amount of unquoted investments	959.06	959.16
Aggregate amount of impairment in value of investments	0.55	-

Saswata Solar LLP# Name of Partners- Mr. Hitesh Pranjivan Mehta, nominee of Waaree Energies Limited (99.999%) , Mr. Hitesh Chimanlal Doshi ( 0.001 % ) Total Capital - Rs. 738.50 Mn.



**WAAREE ENERGIES LIMITED**  
**Accompanying notes to the financial statements for the year ended March 31, 2020**

( ₹ in Millions )

**Note 4 : Trade receivables**

Particulars	As at March 31, 2020	As at March 31, 2019
Secured, considered good	-	58.93
Unsecured, considered good	57.89	67.57
	<b>57.89</b>	<b>126.50</b>

**Note 5 : Security deposits**

Particulars	As at March 31, 2020	As at March 31, 2019
Security deposits	30.49	31.54
	<b>30.49</b>	<b>31.54</b>

**Security deposits stated above include deposits to :**

Particulars	As at March 31, 2020	As at March 31, 2019
Relatives of director	19.00	19.00

**Note 6 : Other financial assets**

Particulars	As at March 31, 2020	As at March 31, 2019
Fixed deposits	350.20	107.75
	<b>350.20</b>	<b>107.75</b>

**Note 7 : Tax Expense**

(a) Amounts recognised in Statement of Profit and Loss

Particulars	As at March 31, 2020	As at March 31, 2019
Current tax expense (A)		
Current year	192.64	169.89
Short/(excess) provision of earlier years (B)		
Tax for earlier years	(7.70)	0.56
Deferred tax expense (C)		
Origination and reversal of temporary differences	(30.45)	45.54
Tax expense recognised in the income statement (A+B+C)	<b>154.49</b>	<b>215.99</b>

(b) Amounts recognised in other comprehensive income

Particulars	Year Ended March 31, 2020			Year Ended March 31, 2019		
	Before tax	Tax (expense)/ benefit	Net of tax	Before tax	Tax (expense)/ benefit	Net of tax
Items that will not be reclassified to profit or loss						
Remeasurement of the net defined benefit liability / asset, net	3.01	(0.76)	2.25	(4.03)	1.41	(2.62)
Fair value changes on derivatives designated as cashflow hedge	1.61	-	1.61	(2.47)	0.86	(1.61)
	<b>4.62</b>	<b>(0.76)</b>	<b>3.86</b>	<b>(6.50)</b>	<b>2.27</b>	<b>(4.23)</b>



**WAAREE ENERGIES LIMITED**  
**Accompanying notes to the financial statements for the year ended March 31, 2020**

( ₹ in Millions )

**(c) Reconciliation of effective tax rate**

Particulars	As at March 31, 2020	As at March 31, 2019
<b>Profit before tax</b>	<b>608.21</b>	<b>595.72</b>
Tax using the Company's domestic tax rate 25.168% (PY 34.944%)	153.08	208.17
<b>Tax effect of :</b>		
Tax effect on non-deductible expenses	(0.70)	(84.25)
Tax effect of other Income	31.32	(3.48)
Others	(21.51)	94.99
Adjustments recognised in current year in relation to the current tax of prior years	(7.70)	0.56
<b>Tax expense as per Statement of Profit &amp; Loss</b>	<b>154.49</b>	<b>215.99</b>
Effective tax rate	25.401%	36.258%

**(d) Deferred tax assets (net)**

Particulars	As at March 31, 2020	As at March 31, 2019
<b>Deferred tax asset</b>		
Property, plant and equipments	-	-
Provision for doubtful debts/ advances	1.63	0.54
Provision for expected credit loss	12.08	13.80
Disallowance due to non deduction of TDS	0.65	-
Expenditure allowed in income tax below expenditure debited to Profit and Loss Account.	0.94	-
Provision for discount on issue of debentures	-	-
Provision for employee benefits	4.54	8.44
	<b>19.84</b>	<b>22.78</b>
<b>Deferred tax liabilities (Net)</b>		
Property, plant and equipments	5.51	33.84
Expenditure allowed in income tax over expenditure debited to profit and loss account.	-	5.82
	<b>5.51</b>	<b>39.66</b>
<b>Deferred tax asset (Net)</b>	<b>14.33</b>	<b>(16.88)</b>

**Note 8 : Income tax assets (net)**

Particulars	As at March 31, 2020	As at March 31, 2019
Advance tax and TDS (net of provisions)	25.64	3.24
	<b>25.64</b>	<b>3.24</b>

**Note 9 : Other non-current assets**

Particulars	As at March 31, 2020	As at March 31, 2019
Capital advances	27.11	-
Deferred portion of financial assets carried at amortized cost	12.69	14.19
	<b>39.80</b>	<b>14.19</b>

**Note 10 : Inventories**

(Valued at lower of cost or net realisable value)

Particulars	As at March 31, 2020	As at March 31, 2019
Raw materials and components (including goods-in-transit of Rs. 985.83 millions (PY Rs. 397.30 millions))	1,887.80	647.77
Packing materials	4.24	7.69
Work-in-process	131.37	72.53
Finished goods	174.26	106.81
Stock-in-trade	232.78	168.50
	<b>2,430.45</b>	<b>1,003.30</b>



**WAAREE ENERGIES LIMITED**  
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( ₹ in Millions )

**Note 11 : Current investments**

Particulars	As at March 31, 2020	As at March 31, 2019
Investment in Mutual Funds		
2,642.205 (PY Nil) Units of Rs. 1,000 each of HDFC Liquid Fund	10.25	-
5,78,340.395 (PY Nil) Units of Rs. 10 each of HDFC Low Duration Fund	24.31	-
	<b>34.56</b>	-

**Investment in Mutual Fund include:**

Particulars	As at March 31, 2020	As at March 31, 2019
Aggregate amount of quoted investments and market value thereof	<b>34.56</b>	-

**Note 12 : Trade receivables**

Particulars	As at March 31, 2020	As at March 31, 2019
Secured considered good	697.71	807.88
<u>Unsecured</u>		
Considered good	887.88	1,383.08
Considered doubtful	-	-
	<b>887.88</b>	<b>1,383.08</b>
Less: Allowance for doubtful debts	-	
Less: Allowance for expected credit loss	(48.00)	(39.48)
	<b>1,537.59</b>	<b>2,151.48</b>

**Trade receivable stated above include :**

Particulars	As at March 31, 2020	As at March 31, 2019
(Unsecured, considered good)		
Subsidiaries / step down subsidiaries Company	148.71	-
Companies / LLP where directors are interested	494.79	201.44

**Note 13 : Cash and cash equivalents**

Particulars	As at March 31, 2020	As at March 31, 2019
<u>Balances with banks</u>		
-In current accounts	60.95	131.64
-In cash credit accounts	-	90.31
Cash on hand	0.16	0.05
Fixed deposit with original maturity of less than 3 months	1.26	-
	<b>62.37</b>	<b>222.00</b>

**Note 14 : Bank balances other than cash and cash equivalents**

Particulars	As at March 31, 2020	As at March 31, 2019
Fixed deposits with banks	704.83	1,079.34
Less: Fixed deposit with original maturity of more than one year (refer Note 6)	350.20	107.75
	<b>354.63</b>	<b>971.59</b>

Fixed deposits with banks includes

Particulars	As at March 31, 2020	As at March 31, 2019
Held as margin money or security against borrowings, guarantees, other commitments	704.83	1,079.34



**WAAREE ENERGIES LIMITED**  
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( ₹ in Millions )

**Note 15 : Loans**

Particulars	As at March 31, 2020	As at March 31, 2019
<b>Considered good</b>		
Loans to related parties	380.15	491.75
Loans to others	17.76	31.24
	<b>397.91</b>	<b>522.99</b>

**Loans to related parties includes :**

Particulars	As at March 31, 2020	As at March 31, 2019
<b>Considered good</b>		
Subsidiaries/ step down subsidiaries company	285.27	287.85
Companies / LLP where directors are interested	94.88	203.90

**Note 16 : Other financial assets**

Particulars	As at March 31, 2020	As at March 31, 2019
Accrued Interest	14.19	20.15
Foreign currency forward and option contracts	6.61	2.42
Deposits	19.82	6.42
Escrow account balances	0.04	25.11
Export incentive receivable	22.08	-
Government grant receivable	6.37	-
Refund receivable from government authorities	187.43	-
Other receivables	151.18	167.73
	<b>407.72</b>	<b>221.83</b>

**Note 17 : Other current assets**

Particulars	As at March 31, 2020	As at March 31, 2019
Advance to suppliers	162.18	135.08
Less: Provision for doubtful advances	(5.93)	(1.53)
	<b>156.25</b>	<b>133.55</b>
Prepaid expenses	19.71	7.46
Balances with government authorities	256.44	459.85
Others	6.03	3.52
	<b>438.43</b>	<b>604.38</b>

**Advance to suppliers includes :**

Particulars	As at March 31, 2020	As at March 31, 2019
Subsidiary company	5.20	-
Companies / LLP where directors are interested	-	0.15



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**Note 18 : Equity share capital**

**a. Details of authorised, issued and subscribed share capital**

Particulars	As at March 31, 2020	As at March 31, 2019
<b>Authorised capital</b> 50,00,00,000 equity shares of Rs10/- each	5,000.00	5,000.00
<b>Issued capital, subscribed and paid up</b> 19,71,38,492 equity shares of Rs 10/- each	1,971.38	1,971.38
	<b>1,971.38</b>	<b>1,971.38</b>

**b. Terms and Conditions**

The Company has only one class of equity shares having a face value of Rs. 10 per share. Each holder of equity share is entitled to one vote per share.

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

**c. Shareholders having more than 5 % shareholding**

Name of Shareholder	As at March 31, 2020		As at March 31, 2019	
	Number	Percentage	Number	Percentage
Mahavir Thermoequip Private Limited	5,78,26,867	29.33%	5,78,26,867	29.33%
Bindiya K. Doshi	1,97,07,174	10.00%	1,96,67,174	9.98%
Binita H.Doshi	1,55,87,006	7.91%	1,55,87,006	7.91%
Neepa V Doshi	1,51,89,901	7.71%	1,51,64,151	7.69%
Hitesh C. Doshi	1,40,43,144	7.12%	1,39,64,069	7.08%
Bina P. Doshi	1,16,69,853	5.92%	1,17,53,178	5.96%
Viren C. Doshi	1,08,93,069	5.53%	1,08,93,069	5.53%
Kirit C Doshi	1,01,31,844	5.14%	1,00,64,269	5.11%

**d. Reconciliation of number of shares**

Particulars	As at March 31, 2020		As at March 31, 2019	
	Number	(₹ in Millions)	Number	(₹ in Millions)
Shares outstanding at the beginning of the year	19,71,38,492	1,971.38	19,71,38,492	1,971.38
Bonus shares issued during the year	-	-	-	-
<b>Shares outstanding at the end of the year</b>	<b>19,71,38,492</b>	<b>1,971.38</b>	<b>19,71,38,492</b>	<b>1,971.38</b>

**e. Shares issued other than Cash**

The aggregate number of equity share allotted as fully paid up by way of bonus shares in immediately preceding five years ended March 31, 2020 are 121,315,992 shares (Allotted during year ended March 31, 2018 is 121,315,992 shares)



**WAAREE ENERGIES LIMITED**  
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( ₹ in Millions )

**Note 19 : Other equity**

Particulars	Debenture Redemption Reserve	Retained Earnings	Other Comprehensive Income	Total
Balance as at March 31,2018	250.00	6.71	(1.23)	255.48
Creation of debenture redemption reserve	125.00	(125.00)	-	-
Transfer to retained earnings on redemption of debentures	(237.50)	237.50	-	-
Total comprehensive income for the year	-	379.72	4.23	383.95
<b>Balance as at March 31,2019</b>	<b>137.50</b>	<b>498.93</b>	<b>3.00</b>	<b>639.43</b>
Balance as at April 1, 2019	137.50	498.93	3.00	639.43
Transfer to retained earnings on redemption of debentures	(79.00)	79.00	-	-
Transition impact on adoption of Ind AS 116 ( refer Note 46 )	-	(30.21)	-	(30.21)
Total comprehensive income for the year	-	453.73	(3.86)	449.87
<b>Balance at the March 31, 2020</b>	<b>58.50</b>	<b>1,001.45</b>	<b>(0.86)</b>	<b>1,059.09</b>

**Nature and Purpose of Reserves**

**Debenture redemption reserve**

The Company is required to create a debenture redemption reserve out of the profits which is available for the purpose of redemption of debentures.

**Retained earnings**

Retained Earnings represents surplus/accumulated earnings of the Company and are available for distribution to shareholders

**Other comprehensive income**

Other comprehensive income consists of remeasurement gains/ (loss) on defined benefit plans and fair value changes on derivatives designated as cashflow hedges.



**WAAREE ENERGIES LIMITED**  
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( ₹ in Millions )

**Note 20 : Borrowings**

Particulars	As at March 31, 2020	As at March 31, 2019
<b>Secured</b>		
<b>Non Convertible Debentures</b>		
15.50% Non Convertible Debentures - Tranche - II	232.46	539.29
Less: Current maturities of long term debt	(232.46)	(316.00)
	-	<b>223.29</b>
<b>Hire Purchase Loans</b>		
Less: Current maturities of long term debt	6.48	7.51
	(1.64)	(2.61)
	<b>4.84</b>	<b>4.90</b>
<b>Term Loan from others</b>		
Less: Current maturities of long term debt	432.21	508.07
	(103.90)	(77.93)
	<b>328.31</b>	<b>430.14</b>
	<b>333.15</b>	<b>658.33</b>

**Non Convertible Debentures includes (Secured)**

Tranche - II, 15.50% Secured, Listed, Rated, Redeemable 550 Nos. of Non-Convertible Debentures of face value Rs.1 million each aggregating to Rs. 234.00 million (PY Rs. 550 million), are secured by way of:

- (i) First ranking pledge of over 51% shares of Waaree Energies Limited held by the Promoters and Promoters Group
- (ii) First ranking pledge of over 49% shares held in Waaneep Solar Private Limited (wholly owned subsidiary) of Waaree Energies Limited along with its Nominees has been released on August 7, 2018
- (iii) First ranking exclusive charge on the Designated Escrow Account and its sub-accounts, if any
- (iv) First ranking exclusive charge on the permitted investments in Debt Serve Reserve Account ( DSRA )
- (v) Residual charge on all the fixed and current assets
- (vi) Joint and several personal guarantee provided by two directors

The Debentures are redeemable in 7 quarterly installments starting May 1, 2019.

**Hire Purchase Loans (Secured)**

Hire purchase loan from banks amounting to Rs. 6.48 millions (PY Rs. 7.51 millions) which is secured by hypothecation of Vehicle financed. The said loan is repayable monthly in 36 to 60 equal instalments @ interest rate of 9.31 % p.a to 9.61 % p.a.

**Term Loan from others includes (Secured)**

Term Loan from Indian Renewable Energy Development Agency Limited (IREDA) amounting to Rs.514.65 millions was availed in FY 2018-19. The loan was to be repaid in 20 quarterly instalments starting from September 30, 2019 and carries average interest rate of 10.82% per annum for the FY 2019-20. The current outstanding of loan as on March 31, 2020 is Rs.436.73 million (PY Rs.514.65 millions). The term loan is primarily secured by hypothecation of all Movable Assets (Plant and Machinery) of 1 GW Solar PV Module Manufacturing plant at Village-Tumb, Tal-Umbergaon, Dist-Valsad, Gujarat and second charge on existing movable and immovable assets of the company. The loan is also collaterally secured by lien on fixed deposit of Rs.78.00 million (PY Rs.78.00 millions) and personal guarantee by one of the Director and his relative.

**Note 21 : Lease liabilities**

Particulars	As at March 31, 2020	As at March 31, 2019
Lease liabilities	274.01	-
	<b>274.01</b>	<b>-</b>



**WAAREE ENERGIES LIMITED**  
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( ₹ in Millions )

**Note 22 : Long-term provisions**

Particulars	As at March 31, 2020	As at March 31, 2019
Provision for warranty	236.83	153.91
<b>Provision for employee benefits:</b>		
Leave entitlement	16.61	22.30
Gratuity	4.82	-
	<b>258.26</b>	<b>176.21</b>

In pursuance of Ind AS 37 'Provisions, Contingent Liabilities and Assets', the provisions required have been incorporated in the books of accounts in the following manner

Particulars	As at March 31, 2020	As at March 31, 2019
Opening balance	153.91	137.24
Additions during the year	85.75	65.18
Less: Utilisation during the year	(2.83)	(48.51)
Closing balance	<b>236.83</b>	<b>153.91</b>

The provision for warranty represents the expected outflow of resources against claims for performance shortfall expected in future over the life of the guarantee assured.

**Note 23 : Other non-current liabilities**

Particulars	As at March 31, 2020	As at March 31, 2019
Deposits from dealer, franchisee etc.,	-	2.40
Deferred Government Grant	23.70	-
	<b>23.70</b>	<b>2.40</b>

**Note 24 : Borrowings**

Particulars	As at March 31, 2020	As at March 31, 2019
<b>Loans repayable on demand</b>		
<b>Secured</b>		
<b>From Banks:-</b>		
Cash credit facility	173.39	-
	<b>173.39</b>	-

**Secured loans**

Working capital loan from Banks includes Cash credit facility under consortium banking arrangement from State Bank of India (Lead Bank), Bank of Maharashtra and Indusind Bank amounting to Rs.173.39 millions (PY -NIL millions) is secured against:

- i) Hypothecation of the entire current assets of the Company.
- ii) Collaterally secured by mortgage of factory land & building & hypothecation of plant & machinery of the Company situated at plot no 231-236, SEZ, Surat.
- iii)The said facility is also secured by corporate guarantee of Mahavir Thermoequip Pvt. Ltd and mortgage of personal property of relative of directors and personal guarantee of two directors of the Company. Cash credit facility carries interest rate : (a) State Bank of India - 1 year MCLR + 2.75 % (b) Bank of Maharashtra - 1 year MCLR + 2.85 % (c) Indusind Bank Ltd - 1 year MCLR + 1.30%.

**Note 25 : Lease liabilities**

Particulars	As at March 31, 2020	As at March 31, 2019
Lease liabilities	40.68	-
	<b>40.68</b>	-



**WAAREE ENERGIES LIMITED**  
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( ₹ in Millions )

**Note 26 : Trade payables**

Particulars	As at March 31, 2020	As at March 31, 2019
Total outstanding dues of micro enterprises and small enterprises	68.57	6.05
Total outstanding dues of creditors other than micro enterprises and small enterprises	2,928.40	3,071.78
	<b>2,996.97</b>	<b>3,077.83</b>

**Note :** The information regarding Micro Small and Medium Enterprises has been determined on the basis of information available with the Company .

Particulars	As at March 31, 2020	As at March 31, 2019
The principal amount remaining unpaid to any supplier as at the end of accounting year;	68.57	6.05
The interest due and remaining unpaid to any supplier as at the end of accounting year;	-	-
The amount of interest paid by the buyer in terms of Section 16 of the MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed date during each accounting year;	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed date during the year) but without adding the interest specified under the MSMED Act, 2006;	-	-
The amount of interest accrued and remaining unpaid at the end of accounting year; and	-	-
The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23 of MSMED Act, 2006.	-	-

Interest paid / payable by the Company on the aforesaid principal amount has been waived by the concerned supplier.

**Note 27 : Other financial liabilities**

Particulars	As at March 31, 2020	As at March 31, 2019
Current maturities of long term debt	338.00	396.54
Interest accrued but not due on borrowings	6.74	14.36
Payables for capital goods	-	7.01
Other payables	-	167.50
	<b>344.74</b>	<b>585.41</b>

**Note 28 : Provisions**

Particulars	As at March 31, 2020	As at March 31, 2019
<b>Provision for employee benefits:</b>		
Leave entitlement	1.44	1.85
<b>Others:</b>		
Provision for taxation (net of advance tax)	132.69	35.07
	<b>134.13</b>	<b>36.92</b>

**Note 29 : Other current liabilities**

Particulars	As at March 31, 2020	As at March 31, 2019
Advances from customers	857.06	624.66
Statutory dues payable	21.35	24.76
Deferred Government Grant	9.80	-
Deposits from dealer, franchisee etc.,	7.31	67.73
	<b>895.52</b>	<b>717.15</b>



**WAAREE ENERGIES LIMITED**  
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( ₹ in Millions )

**Note 30 : Revenue from operations**

Particulars	Year Ended March 31, 2020	Year Ended March 31, 2019
<b>Sale of products and services</b>		
Sale of Solar Power Products #	20,046.01	15,919.43
Sale of Services	33.30	69.35
<b>Generation of Electricity from Renewal Sources</b>	2.85	1.49
<b>Other Operating revenue</b>		
Export incentives	67.17	-
Sale of scrap	29.02	21.25
Franchisee fees	89.48	34.19
	<b>20,267.83</b>	<b>16,045.71</b>

# The above includes revenue from EPC contracts of Rs. 1,644.97 Millions (PY Rs. 4,920.07 Millions). (refer Note 47)

**Note 31 : Other income**

Particulars	Year Ended March 31, 2020	Year Ended March 31, 2019
Interest income	123.84	111.19
Interest received on financial assets carried at amortised cost	3.24	6.87
Government Grant	72.88	-
Notional income from corporate guarantee in favor of subsidiaries and other companies	-	10.59
Profit on sale of current investment	0.58	0.20
Gain on change in fair value of investment	0.57	-
Profit on foreign exchange fluctuation (net)	23.14	24.07
Profit on sale of property, plant and equipment	-	0.87
Miscellaneous receipts	12.38	23.13
	<b>236.63</b>	<b>176.92</b>

**Note 32 : Cost of materials consumed**

Particulars	Year Ended March 31, 2020	Year Ended March 31, 2019
Cost of materials consumed	14,523.68	11,402.75
	<b>14,523.68</b>	<b>11,402.75</b>

**Note 33 : Purchases of stock-in-trade**

Particulars	Year Ended March 31, 2020	Year Ended March 31, 2019
Purchases	2,166.90	1,254.61
	<b>2,166.90</b>	<b>1,254.61</b>

**Note 34 : Changes in inventories of finished goods (incl. stock-in-trade) and work-in-progress**

Particulars	Year Ended March 31, 2020	Year Ended March 31, 2019
<u>Opening Inventory</u>		
Traded Goods	168.50	165.82
Finished Goods	106.81	215.02
Work-In-Progress	72.53	24.18
	<b>347.84</b>	<b>405.02</b>
<u>Closing Inventory</u>		
Traded Goods	232.78	168.50
Finished Goods	174.26	106.81
Work-In-Progress	131.37	72.53
	<b>538.41</b>	<b>347.84</b>
	(190.57)	57.18



**WAAREE ENERGIES LIMITED**  
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( ₹ in Millions )

**Note 35 : Other manufacturing and EPC project expenses**

Particulars	Year Ended March 31, 2020	Year Ended March 31, 2019
Stores and spares consumed	34.22	26.55
Clearing and forwarding charges	69.18	41.05
Factory rent expenses	-	40.07
Electricity charges	126.49	97.40
Labour charges	241.73	216.64
Job work charges	37.21	5.97
<b>Repairs and Maintenance:-</b>		
Repairs to machinery	14.16	6.10
Repairs to building	2.01	0.42
EPC project expenses	244.30	260.83
	<b>769.30</b>	<b>695.03</b>

**Note 36 : Employee benefits expense**

Particulars	Year Ended March 31, 2020	Year Ended March 31, 2019
Salaries and incentives	454.67	386.75
Directors remuneration	51.13	39.95
Contribution to PF and other funds	19.11	13.43
Staff welfare expenses	20.98	15.84
	<b>545.89</b>	<b>455.97</b>

**Note 37 : Sales, administration and other expenses**

Particulars	Year Ended March 31, 2020	Year Ended March 31, 2019
Rent	9.55	27.65
Amortisation of deferred portion of financial asset carried at amortized cost	-	4.99
Insurance	24.63	9.06
Rates and taxes	0.64	0.70
Legal and professional	88.22	61.99
Auditors remuneration	2.51	5.25
Travelling and conveyance	49.32	57.07
Warranty	85.77	65.18
Business promotion expenses	73.80	270.58
Commission	36.92	117.65
Packing materials expenses	195.31	147.04
Transportation freight and handling charges	796.26	339.92
Bad debts	44.56	64.57
Provision for expected credit loss	8.52	1.46
Loss on sale of property, plant and equipment	0.18	-
Corporate social responsibility expense	13.98	8.97
Miscellaneous expenses	83.35	94.28
	<b>1,513.52</b>	<b>1,276.36</b>

**Payment to Auditors :-**

Particulars	Year Ended March 31, 2020	Year Ended March 31, 2019
Audit fees	2.39	2.39
Tax matters	0.11	2.81
Other services	0.01	0.05
	<b>2.51</b>	<b>5.25</b>

**Note 38 : Finance costs**

Particulars	Year Ended March 31, 2020	Year Ended March 31, 2019
Interest expense	222.62	279.92
Interest expense on lease liability	23.50	-
Other borrowing costs	61.31	29.92
	<b>307.43</b>	<b>309.84</b>



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**Note 39 : Depreciation and amortization expense**

Particulars	Year Ended March 31, 2020	Year Ended March 31, 2019
Depreciation on property, plant and equipment	210.21	184.24
Depreciation on lease assets	46.64	-
Amortisation on intangible assets	3.24	2.74
	<b>260.09</b>	<b>186.98</b>

**Note 40 : Exceptional Items**

Particulars	Year Ended March 31, 2020	Year Ended March 31, 2019
Exceptional Items	-	11.80
	-	<b>11.80</b>

During the previous year, Company has disposed off its investments in the wholly owned subsidiary Waaneep Solar Private Limited. The profit on sale amounting to Rs.11.80 millions has been disclosed as exceptional item.

**Note 41 : Earnings per equity share:**

Particulars	Year Ended March 31, 2020	Year Ended March 31, 2019
<b>Basic / Dilutive Earnings Per Share</b>		
Profit/(loss) attributable to equity shareholders	453.73	379.72
Weighted average number of equity shares	197.14	197.14
<b>Basic Earnings Per Share</b>	2.30	1.93
Face value per Share	10.00	10.00

**Note 42 : Contingent liabilities, contingent assets and capital commitments**

**a) Contingent liabilities**

Particulars	As at March 31, 2020	As at March 31, 2019
<b>Contingent liabilities not provided for:</b>		
Claims against the Company not acknowledged as debts	57.38	54.11
Disputed statutory liability	108.25	117.36
Guarantee given by bank on behalf of the Company	576.65	810.52
Guarantee/indeemnity given by Company to others	880.09	554.39
Letter of credit outstanding	148.89	126.21
Inland/export bill discounting	1,493.55	1,506.20
	<b>3,264.81</b>	<b>3,168.79</b>

**b) Contingent assets**

During the FY 2018-19, the Company has entered into Share Purchase Agreement and its amendment for sale of the investment in its wholly owned subsidiary "Waaneep Solar Private Limited". As per terms of the agreement Rs. 420.57 millions is withheld by the buyer which will be remitted on closure of pending litigations and obligations in such subsidiary. The company has recognized Rs. 158.00 million during the previous year on the basis of certainty and balance amount of Rs. 262.57 million will be recognized as income on successful closure of such litigations and obligations which are contingent in nature. During the year, the Company has received 36.33 millions against Rs. 158.00 millions recognised as income in earlier year and the balance amount of Rs 121.67 millions is still certain and recoverable. The company continue to disclose Rs 262.57 millions as Contingent Assets.

**c) Capital commitments**

Particulars	As at March 31, 2020	As at March 31, 2019
Estimated amount of contracts remaining to be executed on capital account (Net of advance)	3.45	32.25
	<b>3.45</b>	<b>32.25</b>



**WAAREE ENERGIES LIMITED**  
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( ₹ in Millions )

**Note 43: DISCLOSURE PURSUANT TO IND AS - 19-EMPLOYEE BENEFIT EXPENSE**

**[A] Post Employment Benefit Plans:**

**Defined Benefit Plans**

The Company has the following Defined Benefit Plans

**Gratuity:** In accordance with the applicable laws, the Company provides for gratuity, a defined benefit retirement plan ("The Gratuity Plan") covering eligible employees. The Gratuity Plan provides for a lump sum payment to vested employees on retirement (subject to completion of five years of continuous employment), death, incapacitation or termination of employment that are based on last drawn salary and tenure of employment. Liabilities with regard to the Gratuity Plan are determined by actuarial valuation on the reporting date and the Company makes contribution to the gratuity fund administered by life Insurance Companies under their respective Group Gratuity Schemes.

The disclosure in respect of the defined Gratuity Plan are given below:

Particulars	Defined Benefit Plans	
	As at March 31, 2020	As at March 31, 2019
Present value of funded obligations	24.35	18.26
Fair Value of Plan Assets	19.53	19.83
Net (Asset)/Liability recognised	4.82	(1.57)

**Movements in plan liabilities**

Particulars	Year Ended March 31, 2020	Year Ended March 31, 2019
Present value of obligation as at the beginning of the year:	18.26	14.54
Transfer in/(out) obligation	-	-
Current service cost	4.51	4.81
Past service cost	-	-
Interest Cost/(Income)	1.39	1.04
Actuarial (gain)/loss arising from changes in financial assumptions	2.50	(0.31)
Actuarial (gain)/loss arising from demographic assumptions	(0.02)	-
Actuarial (gain)/loss arising from experience adjustments	(0.97)	(0.28)
Benefit payments	(1.32)	(1.53)
<b>Total</b>	<b>24.35</b>	<b>18.26</b>

**Movements in plan assets**

Particulars	Year Ended March 31, 2020	Year Ended March 31, 2019
Present value of obligation as at the beginning of the year:	19.83	16.01
Transfer in/(out) obligation	-	-
Interest Cost/(Income)	1.73	1.34
Return on plan assets excluding amounts included in net finance income/cost	(0.70)	(0.37)
Actuarial (gain)/loss arising from changes in financial assumptions	-	-
Actuarial (gain)/loss arising from demographic assumptions	-	-
Actuarial (gain)/loss arising from experience adjustments	-	-
Employer contributions	-	4.39
Benefit payments	(1.32)	(1.53)
<b>Total</b>	<b>19.53</b>	<b>19.83</b>

**Statement of Profit and Loss**

**Expenses recognised in the Statement of Profit and Loss**

Employee benefit expenses :	Year Ended March 31, 2020	Year Ended March 31, 2019
Current Service cost	4.51	4.81
Interest cost/ (Income)	(0.33)	(0.29)
Expected return on plan assets	-	-
<b>Total amount recognised in Statement of P&amp;L</b>	<b>4.18</b>	<b>4.52</b>



**WAAREE ENERGIES LIMITED**  
**Notes to financial statements for the year ended March 31, 2020**

( ₹ in Millions )

**Note 43: DISCLOSURE PURSUANT TO IND AS - 19-EMPLOYEE BENEFIT EXPENSE**

**Remeasurement (gains)/ losses recognised in OCI**

<b>Remeasurement of the net defined benefit liability :</b>	<b>Year Ended March 31, 2020</b>	<b>Year Ended March 31, 2019</b>
Return on plan assets excluding amounts included in net finance income/(cost)	0.70	0.37
Change in Financial Assumptions	2.50	(0.31)
Change in demographic assumption	(0.02)	-
Experience gains/(losses)	(0.97)	(0.28)
<b>Total amount recognised in Other Comprehensive Income</b>	<b>2.21</b>	<b>(0.22)</b>

**Investment pattern for Fund as on**

<b>Category of Asset</b>	<b>As at March 31, 2020</b>	<b>As at March 31, 2019</b>
Government of India Securities	0%	0%
State Government Securities	0%	0%
High quality corporate bonds	0%	0%
Equity shares of listed companies	0%	0%
Property	0%	0%
Special Deposit Scheme	0%	0%
Policy of insurance	100%	100%
Bank Balance	0%	0%
Other Investments	0%	0%
<b>Total</b>	<b>100%</b>	<b>100%</b>

**Assumptions**

With the objective of presenting the plan assets and plan liabilities of the defined benefits plans at their fair value on the balance sheet, assumptions under Ind AS 19 are set by reference to market conditions at the valuation date.

The significant actuarial assumptions were as follows:

<b>Financial Assumptions</b>	<b>As at March 31, 2020</b>	<b>As at March 31, 2019</b>
Discount rate	6.85%	7.75%
Salary escalation rate	6.00%	6.00%
Withdrawal Rates	5% at younger ages reducing to 1% at older ages	5% at younger ages reducing to 1% at older ages
Normal retirement age (in years)	58	58
Mortality rate	Indian assured lives mortality (2012-14) Table	Indian assured lives mortality (2006-08) Table

**Sensitivity**

The sensitivity of the overall plan liabilities to changes in the weighted key assumptions are:

<b>Particulars</b>	<b>As at March 31, 2020</b>	<b>As at March 31, 2019</b>
	<b>Increase/Decrease in liability</b>	<b>Increase/Decrease in liability</b>
Discount rate varied by 0.5%		
0.50%	22.91	17.27
-0.50%	25.94	19.34
Salary growth rate varied by 0.5%		
0.50%	25.61	19.13
-0.50%	23.18	17.42
Withdrawal rate (W.R.) varied by 10%		
W.R.* 110%	24.46	18.38
W.R.* 90%	24.24	18.13



**WAAREE ENERGIES LIMITED**  
**Notes to financial statements for the year ended March 31, 2020**

( ₹ in Millions )

**Note 43: DISCLOSURE PURSUANT TO IND AS - 19-EMPLOYEE BENEFIT EXPENSE**

The sensitivity analyses above have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period and may not be representative of the actual change. It is based on a change in the key assumption while holding all other assumptions constant. When calculating the sensitivity to the assumption, the same method used to calculate the liability recognised in the balance sheet has been applied. The methods and types of assumptions used in preparing the sensitivity analysis did not change compared with the previous period.

The expected future cash flows as at 31st March 2020 & as at 31st March 2019 were as follows:

Expected contribution	As at March 31, 2020	As at March 31, 2019
Projected benefits payable in future years from the date of reporting		
1st following year	0.70	0.53
2nd following year	0.91	0.62
3rd following year	0.88	0.79
4th following year	2.31	0.79
5th following year	2.91	1.99
Years 6 to 10	7.85	8.38

**[B] Other Long term employee benefits**

**Leave Encashment:**

Particulars	Defined Benefit Plans	
	As at March 31, 2020	As at March 31, 2019
Present value of unfunded obligations	18.05	24.15
<b>Net (Asset)/Liability recognised</b>	<b>18.05</b>	<b>24.15</b>

**Reconciliation of balances of Defined Benefit Obligations.**

Particulars	Leave Encashment - Unfunded	
	As at March 31, 2020	As at March 31, 2019
Defined Obligations at the beginning of the year	24.15	16.71
Transfer in/(out) obligation	-	-
Current Service Cost	8.38	15.10
Interest Cost	1.80	1.22
Actuarial loss/(gain) due to change in financial assumptions	1.40	(0.32)
Actuarial loss/(gain) due to change in demographic assumptions	0.01	1.08
Actuarial loss/ (gain) due to experience adjustments	(0.61)	(4.58)
Benefits paid	(17.08)	(5.06)
<b>Defined Obligations at the end of the year</b>	<b>18.05</b>	<b>24.15</b>

**Amount recognised in Statement of Profit and Loss**

**Expenses recognised in the Statement of Profit and Loss :-**

Particulars	Year Ended March 31, 2020	Year Ended March 31, 2019
Current Service Cost	8.38	15.10
Net Interest Cost	1.80	1.22
Net value of remeasurements on the obligation and plan assets	0.80	(3.81)
<b>Total amount recognised in Statement of P&amp;L</b>	<b>10.98</b>	<b>12.51</b>

**Remeasurement (gains)/ losses recognised in OCI**

Particulars	Year Ended March 31, 2020	Year Ended March 31, 2019
Due to change in demographic assumptions	0.01	1.08
Change in Financial Assumptions	1.40	(0.31)
Experience gains/(losses)	(0.61)	(4.58)
<b>Total amount recognised in Other Comprehensive Income</b>	<b>0.80</b>	<b>(3.81)</b>



**WAAREE ENERGIES LIMITED**

Notes to financial statements for the year ended March 31, 2020

(₹ in Millions)

**Note 43: DISCLOSURE PURSUANT TO IND AS - 19-EMPLOYEE BENEFIT EXPENSE**

**Major Actuarial Assumptions**

Particulars	As at March 31, 2020	As at March 31, 2019
Discount Rate (%)	6.85%	7.75%
Salary Escalation/ Inflation (%)	6.00%	6.00%
Withdrawal Rates	5% at younger ages reducing to 1% at older ages	5% at younger ages reducing to 1% at older ages
Leave Availment Rate	3.00%	3.00%
Leave Encashment Rate	0.00%	0.00%

The expected future cash flows as at March 31, 2020 & as at March 31, 2019 were as follows:

Expected contribution	As at March 31, 2020	As at March 31, 2019
Projected benefits payable in future years from the date of reporting		
1st following year	1.44	1.85
2nd following year	1.47	1.89
3rd following year	1.39	1.90
4th following year	1.49	1.81
5th following year	1.59	3.22
Years 6 to 10	7.30	12.17

**Sensitivity**

The sensitivity of the overall plan liabilities to changes in the weighted key assumptions are:

Particulars	As at March 31, 2020	As at March 31, 2019
	Increase/Decrease in liability	Increase/Decrease in liability
Discount rate varied by 0.5%		
0.50%	17.25	23.15
-0.50%	18.92	25.24
Salary growth rate varied by 0.5%		
0.50%	18.92	25.25
-0.50%	17.24	23.13
Withdrawal rate (W.R.) varied by 10%		
W.R.* 110%	17.91	24.17
W.R.* 90%	18.20	24.14

The sensitivity analyses above have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period and may not be representative of the actual change. It is based on a change in the key assumption while holding all other assumptions constant. When calculating the sensitivity to the assumption, the same method used to calculate the liability recognised in the balance sheet has been applied. The methods and types of assumptions used in preparing the sensitivity analysis did not change compared with the previous period.

**[C] Current/ non-current classification**

Particulars	As at March 31, 2020	As at March 31, 2019
<b>Gratuity</b>		
Current *	4.82	(1.57)
Non-current	-	-
	4.82	(1.57)
<b>Leave entitlement (including sick leave)</b>		
Current	1.44	1.85
Non-current	16.61	22.30
	18.05	24.15

\* Positive amount denotes liability and negative amount denotes an asset



**WAAREE ENERGIES LIMITED**  
Notes to financial statements for the year ended March 31, 2020

**Note 44 : Segment Reporting**

(i) Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker ("CODM") of the Company. The CODM, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Chief Finance Officer of the Company. The Company operates only in one Business Segment i.e. "Manufacturing & Trading of Solar Photovoltaic Modules", hence does not have any reportable Segments as per Ind AS 108 "Operating Segments".

(ii) Revenue from external customer outside India and assets located outside India are not disclosed separately as the internal monitoring is not done as per the CODM of the Company

(iii) Further, the Company does not have revenue more than 10% of total revenue from single external customer.

**Note 45 : DISCLOSURE PURSUANT TO IND AS - 24 "RELATED PARTY DISCLOSURES"**

**a. List of related parties**

**i) Key Managerial Persons**

Mr. Hitesh Doshi	Chairman and Managing Director
Mr. Viren Doshi	Whole time Director
Mr. Hitesh Mehta	Whole time Director / CFO
Mrs. Binita Doshi	Non Executive Director
Mr. Samir Shah	Non Executive Director
Mr. Modesto Volpe	Non Executive Director
Mr. Jayesh Shah	Independent Director
Mr. Rajender Malla (from January 16, 2019)	Additional Director
Mr. Kiran Jain	Company Secretary

**ii) Relative of Directors**

Mr. Chimanlal Doshi
Ms. Rasila Doshi
Mr. Pujan P. Doshi
Mr. Ankit H. Doshi
Mr. Manish Mehta

**iii) Subsidiary**

Blue Rays Solar Private Limited

Saswata Solar LLP

WaaNeep Solar Private Limited (Upto December, 31 2018)

Waa Cables Private Limited (Formerly Waaree Solar Energy Private Limited)

Rasila International Pte. Ltd.

Waaneep Solar One Private Limited

Sangam Renewables Limited (from May 14, 2019)

Waaree Power Private Limited (from December 17, 2019)

Sangam Solar One Private Limited (from February 14, 2020)

Sangam Solar Two Private Limited (from February 14, 2020)

Sangam Solar Three Private Limited (from February 14, 2020)

Sangam Solar Four Private Limited (from February 14, 2020)

**iv) Step down subsidiary**

WaaCox Energy Private Limited (from May 14, 2019)

Sangam Rooftop Solar Private Limited (from May 14, 2019)

Waasang Solar Private Limited (from May 14, 2019)

Waasang Solar One Private Limited (from May 14, 2019)

Waaree PV Technologies Private Limited (from May 14, 2019)

**v) Associate firm**

Shalibhadra Energies Private Limited

**vi) Enterprises owned or significantly influenced by Key Management Personnel and / or their Relatives**

Mahavir Thermoequip

Waaree Renewables Private Limited (Formerly Cesare Bonetti India Private Limited)

Waaree Technologies Limited

Omnitec Waaree ATG Private Limited

Satva Investment Advisors Private Limited

Waaree Solar Thermal LLP

Waaree PV Power LLP (Formerly Sunmount Engineering LLP)

Greentech Power Private Limited

Waa Mall LLP

Sterling & Wilson-Waaree Private Limited

Jain Education and Empowerment Trust (JEET)

Shri Chimanlal Tribhuvandas Doshi Charitable Trust



**WAAREE ENERGIES LIMITED**  
 Notes to financial statements for the year ended March 31, 2020

**b. Transactions with Related Parties :**

Name of Party	Nature of Transaction	Year Ended March 31, 2020	Year Ended March 31, 2019 (₹ in Millions)
Mr. Hitesh Doshi	Remuneration	20.14	12.75
Mr. Viren Doshi	Remuneration	13.09	10.20
Mr. Hitesh Mehta	Remuneration	17.89	17.00
Mr. Jayesh Shah	Director's sitting fees	0.25	0.40
Mr. Samir Shah	Director's sitting fees	0.25	0.35
Mr. Rajender Malla	Director's sitting fees	0.30	0.05
Ms. Gayatri Borkar	Salary	-	0.10
Mr. Kiran Jain	Salary	1.38	0.93
Mr. Chimanlal Doshi	Rent paid	13.20	13.20
Ms. Rasila Doshi	Rent paid	6.60	6.60
Mr. Pujan Doshi	Salary	1.07	0.50
Mr. Ankit Doshi	Salary	1.20	-
Mr. Manish Mehta	Salary	-	0.41
Blue Rays Solar Private Limited	Loan received back	-	173.10
Saswata Solar LLP	capital	(0.00)	0.02
	Loan granted	-	249.88
	Loan received back	-	50.22
WaaNeep Solar Private Limited	Interest income	-	8.58
	Sales	-	701.25
	Services	-	22.86
	Loan granted	0.78	105.12
Waa Cables Private Limited	Loan received back	-	105.23
	Interest income	0.75	6.35
	Sales return	-	25.26
	Loan granted	-	0.29
Rasila International Ple. Ltd.	Loan received back	-	5.87
	Provision for diminution in Investment	0.55	-
	Loan write off	3.46	-
Waaco Energy Private Limited	Sales	136.96	124.30
Waaree Technologies Limited	Sales return	7.54	-
	Investment in shares	-	0.10
Waaneep Solar One Private Limited	Loan granted	0.03	0.55
	Loan received back	0.60	-
	Interest income	0.01	0.04
Shalibhadra Energies Private Limited	Purchases	0.47	1.20
	Investment in shares	-	0.03
Waasang Solar Private Limited	Loan granted	-	7.00
	Loan received back	7.24	-
	Interest income	0.02	0.25
Waasang Solar One Private Limited	Investment in shares	-	0.05
	Sales	26.14	-
Mahavir Thermoequip	Purchases	-	6.34
	Sales	-	0.01
	Loan taken	-	4.52
	Loan repaid	-	4.52
	Loan granted	-	235.63
	Loan received back	87.73	151.98
Waaree Renewables Private Limited	Interest income	-	4.54
	Capital purchases	12.08	-
	Purchases	1,239.23	178.97
	Capital sales	-	6.79
	Sales	600.72	112.77



**WAAREE ENERGIES LIMITED**  
 Notes to financial statements for the year ended March 31, 2020

**b. Transactions with Related Parties :**

( ₹ in Millions )

Name of Party	Nature of Transaction	March 31, 2020	March 31, 2019
Waaree PV Technologies Private Limited	Sales	116.03	-
Omntec Waaree ATG Private Limited	Purchases	6.79	87.60
Sattva Investment Advisors Private Limited	Professional Fees	-	2.50
Waaree Solar Thermal LLP	Loan received back	-	0.08
	Purchases	0.13	-
	Loan granted	84.03	15.53
	Loan received back	80.78	24.00
Waaree PV Power LLP	Interest income	9.38	10.36
	Purchases	-	5.06
	Sales	87.88	-
Greentech Power Private Limited	Sales	12.14	-
	Sundry balance written back	0.00	-
Waa Mall LLP	Purchases	1.18	1.50
	Sales	0.59	10.60
	Loan granted	1.25	88.66
	Loan received back	27.06	64.03
	Interest income	0.07	1.24
Sangam Renewables Limited	Investment in shares	199.80	-
	Capital purchases	-	0.16
	Project expenses	14.63	44.67
	Sales	-	104.78
	Sales return	-	104.78
	Services	0.23	0.18
Sterling & Wilson-Waaree Pvt Ltd	Sales	-	1.25
	Purchases	8.89	-
	Project expenses	9.08	-
Sangam Rooftop Solar Private Limited	Reimbursement of expenses	0.05	-
	Sales	80.04	83.54
	Sales return	-	10.76
	Services	0.44	0.13
Waaree Power Private Limited	Investment in shares	0.10	-
Sangam Solar One Private Limited	Investment in shares	0.10	-
Sangam Solar Two Private Limited	Investment in shares	0.10	-
Sangam Solar Three Private Limited	Investment in shares	0.10	-
Sangam Solar Four Private Limited	Investment in shares	0.10	-
Jain Education and Empowerment Trust (JEET)	Corporate social responsibility expense	0.41	3.91



**WAAREE ENERGIES LIMITED**

Notes to financial statements for the year ended March 31, 2020

c. Balance Outstanding of Related Parties :

( ₹ in Millions )

Name of Party	Receivable / Payable	As at March 31, 2020	As at March 31, 2019
Mr. Hitesh Doshi	Salary and reimbursements payable	6.98	-
Mr. Viren Doshi	Salary and reimbursements payable	4.55	0.12
Mr. Hitesh Mehta	Salary and reimbursements payable	0.00	0.62
Mr. Kiran Jain	Salary and reimbursements payable	0.10	0.09
Mr. Chimanlal Doshi	Security deposits	13.00	13.00
	Trade payables	1.36	-
Ms. Rasila Doshi	Security deposits	6.00	6.00
	Trade payables	0.45	-
Mr. Pujan Doshi	Salary and reimbursements payable	-	0.05
Mr. Ankit Doshi	Salary and reimbursements payable	0.10	-
Blue Rays Solar Private Limited	Investment	117.84	117.84
	Loan receivables	278.19	278.19
Saswata Solar LLP	Investment	738.19	738.19
Waa Cables Private Limited	Investment	2.38	2.38
	Loan receivables	7.06	5.61
Rasila International Pte. Ltd.	Loan receivables	-	3.46
Waaco Energy Private Limited	Advances from customers	-	418.33
	Trade Receivables	65.09	-
Waaree Technologies Limited	Advances from customers	24.61	-
Waaneep Solar One Private Limited	Investment	0.10	0.10
	Loan receivables	0.03	0.59
Shalibhadra Energies Private Limited	Trade payables	0.81	0.27
Waasang Solar Private Limited	Investment	-	0.03
	Loan receivables	-	7.23
Waasang Solar One Private Limited	Investment	0.05	0.05
	Trade receivables	0.48	-
Mahavir Thermoequip	Trade payables	0.23	0.69
	Trade receivables	494.79	114.24
Waaree Renewables Privlate Limited	Capital receivables	-	6.79
	Loan receivables	-	87.73
Waaree PV Technologies Private Limited	Trade payables	-	3.11
	Trade receivables	65.18	-
Waaree Solar Thermal LLP	Trade payables	0.15	-
	Trade receivables	-	0.19
	Advance to suppliers	-	0.15
Waaree PV Power LLP	Loan receivables	94.88	83.19
	Advances from customers	0.74	-
Greentech Power Private Limited	Trade receivables	-	0.48
Waa Mall LLP	Advances from customers	0.05	-
	Investment	201.26	-
Sangam Renewables Limited	Loan receivables	-	25.75
	Trade receivables	-	3.06
	Trade payables	0.10	28.83
Sangam Rooftop Solar Private Limited	Trade receivables	17.96	69.74
Waaree Power Private Limited	Investment	0.07	-
	Other receivables	5.20	-
Sangam Solar One Private Limited	Investment	0.10	-
Sangam Solar Two Private Limited	Investment	0.10	-
Sangam Solar Three Private Limited	Investment	0.10	-
Sangam Solar Four Private Limited	Investment	0.10	-
Shri Chimanlal Tribhuvandas Doshi Charitable Trust	Trade payable & Trade receivable	1.32	1.32



**WAAREE ENERGIES LIMITED**  
**Notes to financial statements for the year ended March 31, 2020**

( ₹ in Millions )

**Note 46 : Leases**

Effective April 1, 2019, the Company has adopted Ind AS 116, Leases, using modified retrospective approach. On adoption of the new standard Ind AS 116 resulted in recognition of 'Right of Use' assets of Rs. 346.27 Millions and a lease liability of Rs. 351.22 Millions. The cumulative effect of applying the standard, amounting to Rs.30.21 Millions was debited to retained earnings. The effect of this adoption is insignificant on the profit before tax, profit for the period and earnings per share. Ind AS 116 will result in an increase in cash inflows from operating activities and an increase in cash outflows from financing activities on account of lease payments.

Following are the changes in the carrying value of right of use assets for the year ended March 31, 2020

Particulars	( ₹ in Millions )
Balance as at 1st April, 2019	-
Transition impact on adoption of Ind AS 116	321.01
Reclassified from property, plant and equipment on account of adoption of Ind AS 116	25.26
Addition	-
Deletion	-
Depreciation	46.64
<b>Balance as at 31st March, 2020</b>	<b>299.63</b>

The following is the break-up of current and non-current lease liabilities as at March 31, 2020

Particulars	( ₹ in Millions )
Current lease liabilities	40.68
Non-Current lease liabilities	274.01
<b>Total</b>	<b>314.69</b>

The following is the movement in lease liabilities during the year ended March 31, 2020:

Particulars	( ₹ in Millions )
Balance as at 1st April, 2019	-
Transition impact on adoption of Ind AS 116	351.22
Addition	-
Finance cost accrued during the period	23.50
Deletion	-
Payment of lease liabilities	60.03
<b>Balance as at 31st March, 2020</b>	<b>314.69</b>

The table below provides details regarding the contractual maturities of lease liabilities as at March 31, 2020 on an undiscounted basis :

Particulars	Year Ended March 31, 2020
- Less than one year	40.68
- Later than one year but not later than five years	182.31
- Later than five years	91.70
	<b>314.69</b>

Rental expense recorded for short-term leases was Rs. 9.55 Millions for the year ended March 31, 2020.



**WAAREE ENERGIES LIMITED**  
 Notes to financial statements for the year ended March 31, 2020

(₹ in Millions )

**Note 47 : Disclosure regarding income from Engineering, Procurement and Construction Contracts**

Particulars	Year Ended March 31, 2020	Year Ended March 31, 2019
i) The amount of contract revenue recognised during the year of all contract in progress at year end	1,195.69	54.49
ii) The aggregate amount of cost incurred and recognised profits upto the close of the year of all contract in progress at year end	972.27	51.10
iii) The amount of advances received of all contract in progress at year end	79.65	0.83
iv) Amount due from customer of all contract in progress at year end	194.35	42.14
v) Amount due to customer of all contract in progress at year end	-	-

**Note 48 : Disclosures with regards to section 186 of the Companies Act, 2013**

For Investments, refer Note-3

For Corporate guarantees given, refer Note 40

**For Loan given:**

The Compay has granted unsecured loan to certain parties for general corporate purpose

Particulars	Year ended March 31, 2020		Year ended March 31, 2019	
	Rate of Interest	Amount	Rate of Interest	Amount
a) Subsidiaries	0 to 12%	285.27	0 to 12%	287.85
b) Others	12%	112.64	12%	235.14

**Note 49 : Corporate Social Responsibility**

Particulars	Year Ended March 31, 2019	Year Ended March 31, 2018
Gross amount required to be spend by the company during the year	10.78	9.31
<b>Total</b>	<b>10.78</b>	<b>9.31</b>

**Amount spent during the year :-**

Particulars	In Cash		Yet to be paid in cash	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
a) Construction / acquisition of any assets	0.16	-	-	-
b) On purpose other than (a) above	13.83	8.97	-	-
<b>Total</b>	<b>13.99</b>	<b>8.97</b>	<b>-</b>	<b>-</b>



## WAAREE ENERGIES LIMITED

### Notes to Standalone financial statements for the year ended March 31, 2020

#### **Note 50 : Financial instruments – Fair values and risk management**

##### **A. Accounting classification and fair values**

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities.

Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.

Level 3: techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

Financial asset and liabilities as at March 31, 2020	Non Current	Current	Total	Routed through Profit & Loss			Routed through OCI			Carried at Amortised	Total Amount
				Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	
<b>Financial assets</b>											
Investments	1,160.32	34.56	1,194.88	34.56	-	-	34.56	-	-	-	1,160.32
Trade receivables	57.89	1,537.59	1,595.48	-	-	-	-	-	-	-	1,595.48
Other financial assets	350.20	-	350.20	-	-	-	-	-	-	-	350.20
Security deposits	30.49	-	30.49	-	-	-	-	-	-	-	30.49
<b>Other assets</b>											
Cash and cash equivalents	-	62.37	62.37	-	-	-	-	-	-	-	62.37
Other bank balances	-	354.63	354.63	-	-	-	-	-	-	-	354.63
Loans	-	397.91	397.91	-	-	-	-	-	-	-	397.91
Other financial assets	-	407.72	407.72	-	-	-	-	-	-	-	407.72
	<b>1,598.90</b>	<b>2,794.78</b>	<b>4,393.68</b>	<b>34.56</b>	<b>-</b>	<b>-</b>	<b>34.56</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,359.12</b>
<b>Financial liabilities</b>											
Borrowings	333.15	173.39	506.54	-	-	-	-	-	-	-	506.54
Lease liabilities	274.01	40.68	314.69	-	-	-	-	-	-	-	314.69
Other financial liabilities	-	344.74	344.74	-	-	-	-	-	-	-	344.74
Trade payables	-	2,996.97	2,996.97	-	-	-	-	-	-	-	2,996.97
	<b>607.16</b>	<b>3,555.78</b>	<b>4,162.94</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,162.94</b>



**WAAREE ENERGIES LIMITED**

**Notes to Standalone financial statements for the year ended March 31, 2020**

**Note 50 : Financial instruments – Fair values and risk management**

Financial asset and liabilities as at March 31, 2019	Non Current	Current	Total	Routed through Profit & Loss			Routed through OCI			Carried at Amortised	Total Amount
				Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	
<b>Financial assets</b>											
Investments	959.16	-	959.16	-	-	-	-	-	-	-	959.16
Trade receivables	126.50	2,151.48	2,277.98	-	-	-	-	-	-	-	2,277.98
Other financial assets	107.75	-	107.75	-	-	-	-	-	-	-	107.75
Security deposits	31.54	-	31.54	-	-	-	-	-	-	-	31.54
<b>Other assets</b>											
Cash and cash equivalents	-	222.00	222.00	-	-	-	-	-	-	-	222.00
Other bank balances	-	971.59	971.59	-	-	-	-	-	-	-	971.59
Loans	-	522.99	522.99	-	-	-	-	-	-	-	522.99
Other financial assets	-	221.83	221.83	-	-	-	-	-	-	-	221.83
	<b>1,224.95</b>	<b>4,089.89</b>	<b>5,314.84</b>								<b>5,314.84</b>
<b>Financial liabilities</b>											
Borrowings	658.33	-	658.33	-	-	-	-	-	-	-	658.33
Lease liabilities	-	-	-	-	-	-	-	-	-	-	-
Other financial liabilities	-	585.41	585.41	-	-	-	-	-	-	-	585.41
Trade payables	-	3,077.83	3,077.83	-	-	-	-	-	-	-	3,077.83
	<b>658.33</b>	<b>3,663.24</b>	<b>4,321.57</b>								<b>4,321.57</b>

The Fair Value of the Financial Assets & Liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties other than in a forced or liquidation sale. The management assessed that fair value of cash and cash equivalents, trade payables and other current financial assets and liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.



**WAAREE ENERGIES LIMITED**  
**Notes to financial statements for the year ended March 31, 2020**

( ₹ in Millions )

**Note 50 : Financial instruments – Fair values and risk management (continued)**

**B. Financial Risk Management**

**B.i. Risk management framework**

The Company's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk. The Company's focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance.

**B.ii. Credit risk**

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's trade and other receivables, cash and cash equivalents and other bank balances. The maximum exposure to credit risk in case of all the financial instruments covered below is restricted to their respective carrying amount.

**(a) Trade and other receivables from customers**

Credit risk in respect of trade and other receivables is managed through credit approvals, establishing credit limits and monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business.

The Company measures the expected credit loss of trade receivables based on historical trend, industry practices and the business environment in which the entity operates. The Company uses a provision matrix to compute the expected credit loss allowance for trade receivables. The provision matrix takes into account available external and internal credit risk factors such as credit ratings from credit rating agencies, financial condition, ageing of accounts receivable and the Company's historical experience for customers.

**Ageing of Accounts receivables :**

Particulars	As at March 31, 2020	As at March 31, 2019
Not Due	57.89	872.63
0 - 6 months	483.88	1,240.03
6 - 12 months	268.88	92.68
Beyond 12 months	784.83	72.66
<b>Total</b>	<b>1,595.48</b>	<b>2,278.00</b>

Financial Assets are considered to be of good quality and there is no significant increase in credit risk

**The movement of the allowance for lifetime expected credit loss is stated below:**

Particulars	As at March 31, 2020	As at March 31, 2019
Opening allowance	39.48	38.02
Add : additional allowance made	8.52	1.46
Less : allowance reversed	-	-
<b>Closing allowance</b>	<b>48.00</b>	<b>39.48</b>

**(b) Cash and cash equivalents and Other Bank Balances**

The Company held cash and cash equivalents and other bank balances of Rs. 62.37 millions at 31st March 2020 (31st March 2019: Rs. 222.00 millions). The cash and cash equivalents are held with bank with good credit ratings and financial institution counterparties with good market standing.



**WAAREE ENERGIES LIMITED**  
 Notes to financial statements for the year ended March 31, 2020

**Note 50 : Financial instruments – Fair values and risk management (continued)**

**B.iii. Liquidity risk**

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset.

Liquidity risk is managed by Company through effective fund management of the Company's short, medium and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and other borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted.

**Maturity Analysis of Significant Financial Liabilities** ( ₹ in Millions )

March 31, 2020	Total	On demand	Upto 6 Months	6-12 Months	More than 12 Months
Non-current borrowings	333.15	-	-	-	333.15
Borrowings	173.39	173.39	-	-	-
Lease liabilities	314.69	-	20.34	20.34	274.01
Trade payables	2,996.97	-	2,996.97	-	-
Other financial liabilities	344.74	-	217.50	127.24	-

March 31, 2019	Total	On demand	Upto 6 Months	6-12 Months	More than 12 Months
Non-current borrowings	658.33	-	-	-	658.33
Borrowings	-	-	-	-	-
Lease liabilities	-	-	-	-	-
Trade payables	3,077.83	-	3,077.83	-	-
Other current financial liabilities	585.41	-	249.30	336.11	-

**B.iv. Market risk**

Market Risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk.



**WAAREE ENERGIES LIMITED**  
**Notes to financial statements for the year ended March 31, 2020**

( ₹ in Millions )

**Note 50 : Financial instruments – Fair values and risk management (continued)**

**B.iv.a Currency risk**

The Company is exposed to currency risk on account of its operating and financing activities. The functional currency of the Company is Indian Rupee. Our exposure are mainly denominated in U.S. dollars and European dollars. The Company's business model incorporates assumptions on currency risks and ensures any exposure is covered through the normal business operations. This intent has been achieved in all years presented. The Company has put in place a Financial Risk Management Policy to identify the most effective and efficient ways of managing the currency risks.

**Exposure to currency risk**

The currency profile of financial assets and financial liabilities as at March 31, 2020 and March 31, 2019 are as below:

31st March, 2020	₹ in Millions	EUR	₹ in Millions	USD	( ₹ in Millions )	RMB
<b>Financial assets</b>						
Trade Receivables	-	-	12.92	0.17	-	-
Cash and cash equivalents	0.00	0.00	51.26	0.68	-	-
<b>Net exposure for assets</b>	<b>0.00</b>	<b>0.00</b>	<b>64.18</b>	<b>0.85</b>	-	-
<b>Financial liabilities</b>						
Trade Payables	2.47	0.03	1,948.58	25.85	9.60	0.90
<b>Net exposure for liabilities</b>	<b>2.47</b>	<b>0.03</b>	<b>1,948.58</b>	<b>25.85</b>	<b>9.60</b>	<b>0.90</b>
<b>Net exposure (Assets - Liabilities)</b>	<b>-2.47</b>	<b>-0.03</b>	<b>-1,884.40</b>	<b>-25.00</b>	<b>-9.60</b>	<b>-0.90</b>
31st March, 2019	₹ in Millions	EUR	₹ in Millions	USD	₹	RMB
<b>Financial assets</b>						
Trade Receivables	0.53	0.01	292.79	4.23	-	-
Cash and cash equivalents	-	-	3.46	0.05	-	-
<b>Net exposure for assets</b>	<b>0.53</b>	<b>0.01</b>	<b>296.25</b>	<b>4.28</b>	-	-
<b>Financial liabilities</b>						
Trade Payables	2.13	0.03	1,190.06	17.20	9.32	0.90
<b>Net exposure for liabilities</b>	<b>2.13</b>	<b>0.03</b>	<b>1,190.06</b>	<b>17.20</b>	<b>9.32</b>	<b>0.90</b>
<b>Net exposure (Assets - Liabilities)</b>	<b>(1.60)</b>	<b>(0.02)</b>	<b>(893.81)</b>	<b>(12.92)</b>	<b>(9.32)</b>	<b>(0.90)</b>

**Sensitivity analysis**

A reasonably possible strengthening / (weakening) of the Indian Rupee against US dollars and European dollars at 31st March would have affected the measurement of financial instruments denominated in US dollars and affected profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases. In cases where the related foreign exchange fluctuation is capitalised to fixed assets or recognised directly in reserves, the impact indicated below may affect the Company's income statement over the remaining life of the related fixed assets or the remaining tenure of the borrowing respectively.



**WAAREE ENERGIES LIMITED**  
**Notes to financial statements for the year ended March 31, 2020**

(₹ in Millions)

Note 50 : Financial instruments – Fair values and risk management (continued)

Impact of movement on Profit or (loss) and Equity :

Effect in INR (before tax)	Profit or (loss) and Equity	
	Strengthening	Weakening
<b>For the year ended 31st March, 2020</b>		
1% movement		
USD	19.00	(19.00)
EUR	-	-
RMB	-	-
	<u>19.00</u>	<u>(19.00)</u>
<b>For the year ended 31st March, 2019</b>		
1% movement		
USD	9.00	(9.00)
EUR	-	-
RMB	-	-
	<u>9.00</u>	<u>(9.00)</u>

#### Derivative financial instruments

The Company holds derivative financial instruments such as foreign currency forward and option contracts to mitigate the risk of changes in exchange rates on foreign currency exposures. The counter party for this contracts is generally a bank or exchange. This derivative financial instruments are valued based on quoted prices for similar assets and liabilities in active markets or inputs that are directly or indirectly observable in the market place.

The details in respect of outstanding foreign currency forward and option contracts are as follows.

Particulars	As at March 31, 2020		As at March 31, 2019	
	USD	₹ in Millions	USD	₹ in Millions
Forward contracts through Banks	11.14	839.80	9.00	622.54
Option Contracts through Exchange	6.00	452.32	4.50	311.27
	<b>17.14</b>	<b>1,292.12</b>	<b>13.50</b>	<b>933.81</b>



**WAAREE ENERGIES LIMITED**  
**Notes to financial statements for the year ended March 31, 2020**

( ₹ in Millions )

**Note 50 : Financial instruments – Fair values and risk management (continued)**

**B.iv.b Interest rate risk**

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 Company is exposed to interest rate risk through the impact of rate changes on interest-bearing liabilities and assets. The Company manages its interest rate risk by monitoring the movements in the market interest rates closely.

**Exposure to interest rate risk**

Company's interest rate risk arises primarily from borrowings. The interest rate profile of the Company's interest-bearing financial instruments is as follows.

Particulars	As at March 31, 2020	As at March 31, 2019
Total borrowings	605.60	508.06
<b>Total of variable rate financial liabilities</b>	<b>605.60</b>	<b>508.06</b>

**Cash flow sensitivity analysis for variable-rate instruments**

The sensitivity analysis below have been determined based on the exposure to interest rates for financial instruments at the end of the reporting year and the stipulated change taking place at the beginning of the financial year and held constant throughout the reporting period in the case of instruments that have floating rates. A 50 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates :

Cash flow sensitivity (net) INR	Profit or loss	
	50 bp increase	50 bp decrease
<b>31st March 2020</b>		
Variable-rate loan instruments	(3.03)	3.03
<b>Cash flow sensitivity (net)</b>	<b>(3.03)</b>	<b>3.03</b>
 <b>31st March 2019</b>		
Variable-rate loan instruments	(2.54)	2.54
<b>Cash flow sensitivity (net)</b>	<b>(2.54)</b>	<b>2.54</b>

**B.iv.c Other price risk**

The Company invests its surplus funds in various Equity and debt instruments . These comprise of mainly liquid schemes of mutual funds (liquid investments), Equity shares, Debentures and fixed deposits. This investments are susceptible to market price risk, mainly arising from changes in the interest rates or market yields which may impact the return and value of such investments. However due to the very short tenor of the underlying portfolio in the liquid schemes, these do not pose any significant price risk.

**Note 51 : Capital Management**

The Company aims to manage its capital efficiently so as to safeguard its ability to continue as a going concern and to optimise returns to its shareholders. Management monitors the return on capital as well as the debt equity ratio and make necessary adjustments in the capital structure for the development of the business. The capital structure of the Company is based on management's judgement of the appropriate balance of key elements in order to meet its strategic and day - to - day needs. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders or issue new shares.

Particulars	As at March 31, 2020	As at March 31, 2019
Total debts	844.55	1,054.87
Total equity	3,030.47	2,610.83
<b>Total debts to equity ratio (Gearing ratio)</b>	<b>0.28</b>	<b>0.40</b>

Note : For the purpose of computing debt to equity ratio, equity includes Equity share capital and Other Equity and Debt includes Long term borrowings, Short term borrowings and current maturities of long term borrowings.



**WAAREE ENERGIES LIMITED**  
Notes to financial statements for the year ended March 31, 2020

(₹ in Millions)

**Note 52 :** The company had erroneously accounted certain expenses amounting to Rs. 1.61 millions in the cost of land disclosed under Investment property. During the year company has rectified the same by adjusting the said amount in the opening retained earnings as on 1st April 2018 and hence the value of Investment property valued at Rs. 3.48 millions from Rs. 5.09 millions (Refer Note 2).

**Note 53 :** COVID-19 virus, a global pandemic has affected the world economy including India leading to significant decline in economic activity. Government of India (GoI) has taken significant measures to curb the spread of the virus including imposing mandatory lockdowns and restrictions in activities. Consequently, Company's manufacturing plants and offices had to be closed down for a considerable period of time. As a result of the lockdown, the likely revenue from the month of March'20 has been impacted but despite this company managed to register a Y-o-Y growth of 26%. Continued lockdowns have also resulted into negative impact on operating margin, supply chain disruption, unavailability of labour etc during March'20 to May'20 . But the Company do not foresee any significant concerns in near future as its products and services cater to solar energy sector which have must run status and the projects under construction also have received relief from GoI in the form of extension of schedule commercial operation date.

The Company is continuously monitoring the situation and taking necessary actions in response to the developments to minimise the impact and also to safeguard the assets and employees. Management believes that it has taken into account all the possible impacts of known events arising from COVID-19 pandemic and the resultant lockdowns in the preparation of financial statements including but not limited to its assessment of Group's liquidity and going concern, recoverable values of its property, plant and equipment, intangible assets, intangible assets under development and the net realisable values of other assets."

**Note 54 :** Figures of the previous year have been regrouped, reclassified and/or rearranged wherever necessary.

In terms of our report of even date

**For S G C O & Co. LLP**

Chartered Accountants

Firm Registration No. 112081W/W100184

Suresh Murarka

Partner

Membership No. 44739



**For and on behalf of the Board**

Chairman & Managing Director  
(DIN 00293668)

Company Secretary

Place: Mumbai

Date: 30th June 2020

Director & CFO  
(DIN 00207506)



Place: Mumbai

Date: 30th June 2020