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# Waaree Energies Limited

## Consolidated Financial Statement

## for the Year Ended 31st March, 2021

WAAREE Energies Ltd.
Registered Office:
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Corporate Identity Number: U29248MH1990PLC059463

INDEPENDENT AUDITORS REPORT
To the Members of Waaree Energies Limited
Report on the Audit of the Consolidated Financial Statements

## Opinion

We have audited the accompanying consolidated financial statements of Waaree Energies Limited (hereinafter referred to as the 'Parent Company") and its subsidiaries (together referred to as "the Group"), its associates which comprise the consolidated Balance Sheet as at March 31, 2021 , and the consolidated statement of Profit and Loss, (including other comprehensive income) and the consolidated cash flows Statement & the consolidated statement of changes in equity for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements / consolidated financial statements and on the other financial information of the subsidiaries and associates, the aforesaid consolidated financial statements give 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 the Indian Accounting Standards ('Ind AS') of their consolidated state of affairs (consolidated financial position) of the Group and its associates as at March 31, 2021, of consolidated profit, (consolidated financial performance including other comprehensive Income) and its consolidated cash flows and the consolidated changes in equity for the year then ended.

## 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 Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by ICAI, and we have fulfilled our other ethical responsibilities in accordance with the provisions of the Companies Act, 2013. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

The Parent 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 Statements. Standalone Financial Statements and our auditor's report thereon.

Our opinion on the Consolidated Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Consolidated Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Consolidated 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 Consolidated Financial Statements**

The Parent Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Companies Act, 2013(hereinafter referred to as "the Act") that give a true and fair view of the consolidated state of affairs (consolidated financial position), consolidated profit or loss (consolidated financial performance including other comprehensive income), consolidated changes in equity and consolidated cash flows of the Group including its Associates in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under section 133 of the Act. The respective Board of Directors of the companies included in the Group and of its associates are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Parent Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group and of its associates are responsible for assessing the ability of the Group and of its associates to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group and of its associates are responsible for overseeing the financial reporting process of the Group and of its associates.

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

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

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

• Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

• Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the Group 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 ability of the Group and its associates to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its associates to cease to continue as a going concern.

• Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

• Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and its associates to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For

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the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Parent Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements 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**

(a) The financial statements / financial information of 9 subsidiaries/Step Down Subsidiaries, whose financial statements / financial information reflect total assets of Rs. 2629.24 millions as at 31st March, 2021, total revenues of Rs.185.47 millions and net cash inflows amounting to Rs.(262.26) millions for the year ended on that date, as considered in the consolidated financial statements, whose financial statements / financial information have not been audited by us. These financial statements / financial information have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries is based solely on the reports of the other auditors.

(b) The financial statements / financial information of 2 subsidiaries whose financial statements / financial information reflect total assets of Rs. 0.00 millions as at 31st March, 2021, total revenues of Rs. 42.76 millions and net cash inflows amounting to Rs. (1.15) millions for the year ended on that date, as considered in the consolidated financial statements, whose financial statements / financial information are unaudited and have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of sub-sections (3) and (11) of Section 143 of the Act in so far as it relates to the aforesaid subsidiaries is based solely on such unaudited financial statements / financial information. In our opinion and according to the information and explanations given to us by the Management, these financial statements and other financial information are not material to the Group.

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Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements / financial information certified by the Management.

**Report on Other Legal and Regulatory Requirements**

1 As required by Section 143(3) of the Act, we report, to the extent applicable, that:

(a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.

(b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.

(c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

(d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act.

(e) On the basis of the written representations received from the directors of the Parent Company as on 31st March, 2021 taken on record by the Board of Directors of the Parent Company and the reports of the statutory auditors of its subsidiary companies incorporated in India, none of the directors of the Group companies incorporated in India is disqualified as on 31st March, 2021 from being appointed as a director in terms of Section 164 (2) of the Act.

(f) With respect to the adequacy of internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate report in Annexure.

(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 Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the expl/anations given to us:

i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group – Refer Note 42 to the consolidated financial statements.

ii. The Group and its associates did not have any material foreseeable losses on long-term contracts including derivative contracts.

iii. There were no amount which were required to be transferred to the Investor Education and Protection Fund by the company by the Parent Company and its subsidiary companies incorporated in India.

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2. In respect of companies where managerial remuneration is within limit :

As required by section 197(16) of the act, based on our audit we report that the Parent company paid remuneration to their directors during the year in accordance with the provisions of and the limit laid down under section 197 read with Schedule V to the Act.

***For SGCO & CO LLP***
Chartered Accountants
**Firm's Registration No.112081W/W100184**

**Suresh Murarka**
Partner
**Mem.No. 044739**
**UDIN : 21044739AAAANY6827**

Place : Mumbai
Date : 23rd July 2021

## ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

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

In conjunction with our audit of the consolidated financial statements of **Waaree Energies Limited** ("the Parent Company") as of and for the year ended 31 March 2021, we have audited the internal financial controls over financial reporting of the Parent Company, its subsidiary companies and its associates which are companies incorporated in India, as of that date.

### Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Parent Company, its subsidiary companies and its associates, which are incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal controls over financial reporting criteria established by these companies incorporated in India 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 the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 ("the Act").

### Auditor's Responsibility

Our responsibility is to express an opinion on the Parent Company's, its subsidiary companies and its associates incorporated in India, internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note issued by the ICAI 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 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 control 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 control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated 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 controls system over financial reporting.

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**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 Parent Company and its subsidiary companies which are companies incorporated in India, have, in all material respects, have an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2021, 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 ICAI.

***For SGCO & CO LLP***
Chartered Accountants
**Firm's Registration No.112081W/W100184**

**Suresh Murarka**
Partner
**Mem.No. 044739**
UDIN : 21044739AAAANY6827

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FRN - 112081W/W100184
MUMBAI
Chartered Accountants

Place : Mumbai
Date : 23rd July 2021

WAAREE ENERGIES LIMITED
Consolidated Balance Sheet as at March 31, 2021

( Rs. in Millions )

| Particulars | Note No. | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|---|
| **Assets** | | | |
| **Non-current assets** | | | |
| Property, plant and equipment | 2 | 2,230.65 | 1,107.52 |
| Capital work-in-progress | 2 | 13.19 | 373.13 |
| Right of use assets | 2 | 480.84 | 299.63 |
| Investment property | 2 | 3.48 | 3.48 |
| Other intangible assets | 2 | 62.14 | 49.98 |
| Intangible assets under development | 2 | 15.19 | 29.09 |
| Goodwill on consolidation | | 70.31 | 56.31 |
| Financial assets | | | |
| Investments | 3 | 820.00 | 820.00 |
| Trade receivables | 4 | 51.66 | 57.89 |
| Security deposits | 5 | 48.29 | 32.52 |
| Other financial assets | 6 | 345.00 | 358.17 |
| Income tax assets (net) | 7 | 37.97 | 37.02 |
| Other non-current assets | 8 | 933.02 | 85.31 |
| **Total non-current assets** | | 5,111.73 | 3,310.06 |
| **Current assets** | | | |
| Inventories | 9 | 3,680.02 | 2,431.05 |
| Financial assets | | | |
| Investments | 10 | 334.44 | 34.57 |
| Trade receivables | 11 | 1,182.42 | 1,402.41 |
| Cash and cash equivalents | 12 | 128.20 | 339.45 |
| Bank balances other than cash and cash equivalents | 13 | 973.88 | 447.51 |
| Loans | 14 | 479.25 | 571.50 |
| Other financial assets | 15 | 248.53 | 403.63 |
| Other current assets | 16 | 672.08 | 442.20 |
| **Total current assets** | | 7,698.82 | 6,072.32 |
| **Total Assets** | | 12,810.55 | 9,382.38 |
| **Equity and Liabilities** | | | |
| **Equity** | | | |
| Equity share capital | 17 | 1,971.38 | 1,971.38 |
| Other equity | 18 | 1,479.80 | 1,017.36 |
| **Equity attributable to owners** | | 3,451.18 | 2,988.75 |
| Non controlling interest | | 401.72 | 416.27 |
| **Total equity** | | 3,852.90 | 3,405.01 |
| **Liabilities** | | | |
| **Non-current liabilities** | | | |
| Financial liabilities | | | |
| Borrowings | 19 | 1,971.29 | 713.19 |
| Lease liabilities | 20 | 443.70 | 274.01 |
| Long term provisions | 21 | 325.50 | 258.72 |
| Deferred tax liabilities (net) | 22 | 40.72 | 21.82 |
| Other non-current liabilities | 23 | 13.89 | 9.79 |
| **Total non-current liabilities** | | 2,795.11 | 1,277.53 |
| **Current liabilities** | | | |
| Financial liabilities | | | |
| Borrowings | 24 | 547.32 | 204.42 |
| Lease liabilities | 25 | 59.33 | 40.67 |
| Trade payables | 26 | | |
| Total outstanding dues of micro enterprises and small enterprises | | 117.22 | 70.01 |
| Total outstanding dues of creditors other than micro enterprises and small enterprises | | 4,255.47 | 2,848.08 |
| Other financial liabilities | 27 | 464.74 | 477.68 |
| Provisions | 28 | 140.39 | 135.02 |
| Other current liabilities | 29 | 578.07 | 923.95 |
| **Total current liabilities** | | 6,162.54 | 4,699.83 |
| **Total Equity and Liabilities** | | 12,810.55 | 9,382.38 |

Notes 1 to 54 form an integral part of the Consolidated 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. 044739**
Place: Mumbai
Date: 23rd July 2021

**For and on behalf of the Board**

**Chairman & Managing Director**
**(DIN 00293668)**

Place: Mumbai
Date: 23rd July 2021

**Director & CFO**
**(DIN 00207506)**

**Company Secretary**

WAAREE ENERGIES LIMITED

Consolidated Statement of Profit and Loss for the year ended March 31, 2021

( Rs. in Millions )

| Particulars | Note No. | Year Ended March 31, 2021 | Year Ended March 31, 2020 |
|---|---|---|---|
| **Income** | | | |
| Revenue from operations | 30 | 19,527.76 | 19,957.84 |
| Other income | 31 | 405.94 | 255.29 |
| **Total income** | | **19,933.70** | **20,213.13** |
| **Expenses** | | | |
| Cost of materials consumed | 32 | 12,619.09 | 14,324.36 |
| Purchases of stock-in-trade | 33 | 4,226.26 | 2,164.01 |
| Changes in inventories of finished goods (including stock-in-trade) and work-in-progress | 34 | (730.81) | (191.17) |
| Other manufacturing and EPC project expenses | 35 | 544.72 | 665.07 |
| Employee benefits expense | 36 | 480.92 | 546.61 |
| Sales, administration and other expenses | 37 | 1,539.06 | 1,530.34 |
| Finance costs | 38 | 296.59 | 326.27 |
| Depreciation and amortization expense | 39 | 285.40 | 268.09 |
| **Total expenses** | | **19,261.22** | **19,633.58** |
| **Profit before share of profit or loss of Associate and tax** | | **672.48** | **579.55** |
| Add/(Less) : Exceptional Items | 40 | 40.56 | - |
| Share of Profit/(loss) of Associate | | - | (0.02) |
| **Profit before tax** | | **713.04** | **579.52** |
| Tax expenses | 22 | | |
| Current tax | | 213.69 | 192.56 |
| Tax for earlier years | | 8.27 | (7.63) |
| Mat Credit Entitlement | | (2.65) | - |
| Deferred tax | | 18.55 | (23.51) |
| **Profit for the year** | | **475.19** | **418.10** |
| **Other Comprehensive Income** | | | |
| **Items that will not be reclassified to profit or loss** | | | |
| - Gain / (loss) on fair value of defined benefit plans as per actuarial valuation | | 1.61 | (3.01) |
| - Fair value changes on derivatives designated as cashflow hedge | | - | (1.61) |
| - Income tax effect on above | | (0.36) | 0.76 |
| | | 1.25 | (3.86) |
| **Total Comprehensive Income for the year (after tax)** | | **476.44** | **414.24** |
| **Net Profit/(loss) attributable to :** | | | |
| - Owners | | 485.08 | 445.22 |
| - Non-controlling interest | | (9.89) | (27.12) |
| **Other Comprehensive Income attributable to :** | | | |
| - Owners | | (1.17) | 3.86 |
| - Non-controlling interest | | 0.09 | - |
| **Total Comprehensive Income attributable to :** | | | |
| - Owners | | 486.24 | 441.36 |
| - Non controlling interest | | (9.80) | (27.12) |
| Earnings per equity share: (Nominal value of Rs. 10/- each) - Basic & Diluted | 41 | 2.46 | 2.26 |

Notes 1 to 54 form an integral part of the Consolidated 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. 044739**

Place: Mumbai
Date: 23rd July 2021

**For and on behalf of the Board**

**Chairman & Managing Director**
**(DIN 00293668)**

**Director & CFO**
**(DIN 00207506)**

**Company Secretary**

Place: Mumbai
Date: 23rd July 2021

WAAREE ENERGIES LIMITED

Statement of Consolidated Cash Flow for the year ended March 31, 2021

( Rs. in Millions )

| Particulars | Year Ended March 31, 2021 | Year Ended March 31, 2020 |
|---|---|---|
| **A. Cash flow from operating activities :** | | |
| Profit before tax | 672.48 | 579.55 |
| **Add/ (less) : Adjustments for** | | |
| Depreciation and amortisation | 285.40 | 268.09 |
| Interest expense | 225.33 | 245.96 |
| Remeasurement of defined benefit plans | 1.61 | (3.01) |
| Fair value changes on derivatives designated as cashflow hedge | - | (1.61) |
| Interest income | (172.97) | (136.95) |
| (Profit)/loss on disposal of property, plant and equipment | (2.38) | 5.22 |
| Provision for impairment of assets | - | 17.63 |
| Capital-work-in-progress written off | 0.53 | 4.18 |
| Profit on sale of subsidiary | (10.16) | - |
| Profit on disposal of current investment | (0.57) | (1.52) |
| Profit on change in fair value of investment | (3.14) | (0.08) |
| Provision for doubtful advance | 2.75 | 4.40 |
| Provision for doubtful deposit | 10.50 | - |
| Provision for warranty | 72.31 | 85.77 |
| Allowance for credit losses on financial assets | 17.27 | 8.52 |
| **Operating profit before working capital changes** | 1,098.97 | 1,076.15 |
| **Add/ (less) : Adjustments for change in working capital** | | |
| (Increase) / decrease in inventory | (986.47) | (1,431.74) |
| (Increase) / decrease in trade receivables | 208.94 | 849.43 |
| (Increase) / decrease in other current financial assets | 204.00 | (197.98) |
| (Increase) / decrease in other current assets | (83.52) | 230.73 |
| (Increase) / decrease in security deposits | (27.18) | - |
| Increase / (decrease) in provision | (0.31) | (6.06) |
| Increase / (decrease) in trade payables | 834.68 | (169.22) |
| Increase / (decrease) in other current financial liabilities | (55.71) | (127.49) |
| Increase / (decrease) in other current liabilities | (341.79) | 211.56 |
| **Cash generated from operations** | 851.62 | 435.38 |
| Add/ (less) : Exceptional items | 40.56 | - |
| | 892.18 | 435.38 |
| Add/ (less) : Direct taxes paid | (214.73) | (115.65) |
| **Net cash inflow from operating activities** | **677.45** | **319.74** |
| **B. Cash flow from investing activities :** | | |
| Acquisition of property, plant and equipment / intangible assets | (748.61) | (282.18) |
| Capital work in progress / Intangible asset under development | (327.24) | (256.17) |
| Investment in subsidiary | (18.74) | (201.26) |
| Fixed deposits with Banks | (504.20) | 357.31 |
| Proceeds from sale of property, plant and equipment | 49.19 | 113.75 |
| Sale proceeds from sale of non current Investments | 0.00 | 0.07 |
| Proceeds from sale of Subsidiary | 2.38 | - |
| Sale proceeds from sale of mutual fund units | 208.00 | - |
| Slump sale consideration | (20.93) | - |
| Purchase of current investment | (504.17) | (1.09) |
| Loans received back (Net) | 92.25 | 73.05 |
| Capital advances paid | (903.11) | 351.28 |
| Interest received | 172.97 | 136.95 |
| **Net cash inflow / (outflow) from investing activities** | **(2,502.22)** | **291.70** |
| **C. Cash flow from financing activities :** | | |
| Proceeds / (Repayment) of borrowings (net) | 1,650.50 | (195.18) |
| Repayment of lease liabilities | 188.35 | (59.96) |
| Interest paid | (225.33) | (245.96) |
| **Net cash inflow / (outflow) from financing activities** | **1,613.52** | **(501.10)** |
| **Net increase / (decrease) in cash and cash equivalents (A+B+C)** | (211.25) | 110.34 |
| Add: Cash and cash equivalents at the beginning of year | 339.45 | 223.98 |
| Add: On acquisition of subsidiary | - | 5.13 |
| **Cash and cash equivalents at the end of year** | **128.20** | **339.45** |

Waaree Energies Limited

WAAREE ENERGIES LIMITED

Statement of Consolidated Cash Flow for the year ended March 31, 2021

( Rs. in Millions )

Components of cash and cash equivalents considered only for the purpose of cash flow statement

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| Cash on hand | 0.16 | 0.25 |
| Balance with banks | 63.00 | 66.65 |
| Fixed deposit with original maturity of less than 3 months | 65.04 | 272.56 |
| | **128.20** | **339.45** |

**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. 044739**

Place : Mumbai
Date: 23rd July 2021

**For and on behalf of the Board**

**Chairman & Managing Director**
**(DIN 00293668)**

**Director & CFO**
**(DIN 00207506)**

**Company Secretary**

Place : Mumbai
Date: 23rd July 2021

Waaree Energies Limited

WAAREE ENERGIES LIMITED
Consolidated Statement of Changes in Equity for the year ended March 31, 2021

Equity share capital

| Particulars | No. of shares | ( Rs in Millions ) |
|---|---|---|
| As at April 1, 2019 | 19,71,38,492 | 1,971.38 |
| Issue of equity shares | - | - |
| As at March 31, 2020 | 19,71,38,492 | 1,971.38 |
| Issue of equity shares | - | - |
| As at March 31, 2021 | 19,71,38,492 | 1,971.38 |

Other equity

( Rs. in Millions )

| Particulars | Debenture Redemption Reserve | Foreign Currency Translation Reserve | Capital Reserve on consolidation | Retained Earnings | Other Comprehensive Income | Total |
|---|---|---|---|---|---|---|
| Balance as at April 1,2019 | 137.50 | (0.74) | 4.40 | 462.74 | 3.00 | 606.89 |
| Adjustments during the year | - | (0.69) | - | - | - | (0.69) |
| Transfer to Retained Earnings on Redemption of Debentures | (79.00) | - | - | 79.00 | - | - |
| Transition impact on adoption of Ind AS 116 ( refer Note 46 ) | - | - | - | (30.22) | - | (30.22) |
| Total Comprehensive Income for the year | - | - | - | 445.23 | (3.86) | 441.37 |
| Balance as at March 31,2020 | 58.50 | (1.43) | 4.40 | 956.75 | (0.86) | 1,017.36 |
| Creation of debenture redemption reserve | 187.50 | - | - | (187.50) | - | - |
| Transfer to retained earnings on redemption of debentures | (58.50) | - | - | 58.50 | - | - |
| Adjustment towards Business Combination as per IND AS 103 | - | - | - | (23.80) | - | (23.80) |
| Total Comprehensive Income for the year | - | - | - | 485.08 | 1.17 | 486.24 |
| Balance as at March 31,2021 | 187.50 | (1.43) | 4.40 | 1,289.02 | 0.31 | 1,479.80 |

Notes 1 to 54 form an integral part of the Consolidated 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. 044739**

Place: Mumbai
Date: 23rd July 2021

For and on behalf of the Board

Chairman & Managing Director
(DIN 00293668)

Director & CFO
(DIN 00207506)

Company Secretary

Place: Mumbai
Date: 23rd July 2021

**Note 1: Significant Accounting Policies**

**A. Basis of Preparation of Consolidated Financial Statements**

The consolidated 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 consolidated 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 consolidated 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.

**B. Principles of Consolidation**

The Consolidated Financial Statements comprise of the financial statements of Waaree Energies Limited and its subsidiaries and associates. The financial statements have been prepared on the following basis:

**Subsidiaries :**

a) The financial statements of the Company and its subsidiary companies have been consolidated on a line by line basis by adding together the book values of like items of assets, liabilities, income and expenses, after eliminating intra-group balances / transactions and elimination of resulting unrealized profits / losses in accordance with Indian Accounting Standard ('Ind AS') - 110 'Consolidated Financial Statements' .

b) In case of foreign subsidiaries, being non-integral foreign operations, revenue items are consolidated at the average rate prevailing during the year. All assets and liabilities are converted at rates prevailing at the end of the year. Any exchange difference arising on consolidation is recognised in the Foreign Currency Translation Reserve.

c) Goodwill on consolidation represents the excess of cost of acquisition at each point of time of making the investment in the subsidiary Group's share in the net worth of a subsidiary, as per Indian Accounting Standard (Ind AS) 110 "Consolidated Financial Statements". For this purpose, the Group's share of net worth is determined on the basis of the latest financial statements, prior to the acquisition, after making necessary adjustments for material events between the date of such financial statements and the date of respective acquisition.

d) Minority interest in net profits or losses of consolidated subsidiaries for the year is identified and adjusted against the income or loss in order to arrive at the net income or loss attributable to the shareholders of the Company.

e) Minority Interest's share of net assets of consolidated subsidiaries is identified and presented in the consolidated balance sheet separate from liabilities and the equity of the Company's shareholders.

f) The Consolidated Financial Statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented to the extent possible, in the same manner as the Company's separate financial statements.

g) Notes to the financial statements represent notes involving items which are considered material and are accordingly disclosed. Materiality for the purpose is assessed in relation to the information contained in the financial statements. Further, additional statutory information disclosed in separate financial statements of the subsidiary and / or a parent having no bearing on the true and fair view of the financial statements has not been disclosed in these financial statements.

h) The difference between the proceeds from disposal of investment in subsidiaries and the carrying amount of its assets less liabilities as on the date of disposal is recognised in the consolidated Profit and Loss Statement being the profit or loss on disposal of investment in subsidiary.

Waaree Energies Limited

**Note 1: Significant Accounting Policies**

**Associates :**

i) The Group's investments in its associate are accounted for using the equity method. Under the equity method, the investment in an associate is initially recognised at cost. Goodwill relating to the associate is included in the carrying amount of the investment and is not tested for impairment individually. The statement of profit and loss reflects the Group's share of the results of operations of the associate .The aggregate of the Group's share of profit or loss of an associate is shown on the face of the statement of profit and loss.

If an entity's share of losses of an associate equals or exceeds its interest in the associate (which includes any long term interest that, in substance, form part of the Group's net investment in the associate ), the entity discontinues recognising its share of further losses.

Upon loss of significant influence over the associate, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate upon loss of significant influence and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

**C. Other Significant Accounting Policies:**

**i 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.

**Note 1: Significant Accounting Policies**

**ii 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 Group 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.

**iii Intangible Assets**

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

**iv Leases**

The Group, 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.

a) The contract involves the use of an identified asset – this may be specified explicitly or implicitly, and should be physically distinct or represent substantially all of the capability of a physical distinct asset.

b) The lessee has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and

c) The lessee has the right to direct the use of the asset. The lessee has this right when it has the decision making rights that are most relevant to changing how and for what purpose the asset is used.

**As a Lessee - Right of use Asset (ROU)**

The lessee recognises a right-of-use asset and a lease liability at the lease commencement date. At the commencement date, a lessee shall measure the right-of-use asset at cost which comprises initial measurement of the lease liability, any lease payments made at or before the commencement date, less any lease incentives received, any initial direct costs incurred by the lessee; and an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease.

At the date of commencement of the lease, the firm recognises a Right-Of-Use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short term leases) and leases of low value assets. For these short term and leases of low value assets, the firm recognises the lease payments as an operating expense.

**As a Lessee - Lease Liability**

At the commencement date, a lessee shall measure the lease liability at the present value of the lease payments that are not paid at that date. The lease payments shall be discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the lessee shall use the lessee's incremental borrowing rate.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

**v 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 Group.

**Financial assets**

The Group 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.

Waaree Energies Limited

**Note 1: Significant Accounting Policies**

**Intangible assets**

The Group 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.

**vi 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.

**vii 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 Group. All other repair and maintenance costs are recognised in statement of profit and loss as incurred.

Though the Group 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.

**viii 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 (FVPL), 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 Group commits to purchase or sell the asset.

**Subsequent Measurement**

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

Waaree Energies Limited

**Note 1: Significant Accounting Policies**

**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.

**Derivative Financial instruments**

The Group 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 Group 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 FVPL.

**Impairment of Financial Assets**

Waaree Energies Limited

**Note 1: Significant Accounting Policies**

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

The Group 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 Group 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 substantially all risks and rewards of ownership of the asset to another entity.

If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognizes its retained interest in the assets and an associated liability for amounts it may have to pay.

If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

**b) Equity Instruments and Financial Liabilities**

Financial liabilities and equity instruments issued by the Group 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 Group 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**

**Initial Recognition**

Financial liabilities are classified, at initial recognition, as financial liabilities at FVPL, 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.

**Subsequent Measurement**

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

**Financial liabilities at FVPL**

Financial liabilities at FVPL include financial liabilities held for trading and financial liabilities designated upon initial recognition as at FVPL. 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.

Waaree Energies Limited

**Note 1: Significant Accounting Policies**

**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.

**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.

**ix 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.

Waaree Energies Limited

**Note 1: Significant Accounting Policies**

**x 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.

**xi Borrowing Costs**

Borrowing costs consist of interest and other costs that the Group 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.

**xii 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 Group uses a monthly average rate if the average rate approximate the actual rate at the date of the transactions.

**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 Group are recognised as income or expense in the Statement of Profit and Loss except those arising from investment in Non Integral operations.

Waaree Energies Limited

**Note 1: Significant Accounting Policies**

**xiii Revenue Recognition**

a Revenue is recognised to the extent it is probable that the economic benefits will flow to the Group 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 Group 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 Group 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.

**xiv 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

**xv 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.

Waaree Energies Limited

**Note 1: Significant Accounting Policies**

**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.

**xvi Impairment of Non-Financial Assets**

As at each Balance Sheet date, the Group 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 Group 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 Group 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.

**xvii 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.

Waaree Energies Limited

**Note 1: Significant Accounting Policies**

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.

**xviii 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.

**xix 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 Group 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.

**xx 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 Group 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).

**xxi Provisions, Contingent Liabilities and Contingent Assets**

A provision is recognised when the Group 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 Group 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 Group. A contingent liability also arises, in rare cases, where a liability cannot be recognised because it cannot be measured reliably.

**xxii 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

**Note 2 : Property, plant and equipment**

( Rs. in Millions )

| Particulars | Leasehold Land | Land - Freehold | Factory Building | Building | Plant & Machinery | Electrical Installations | Computer & Printers | Office Equipments | Furniture & Fixture | Vehicles | Leasehold Improvements | Solar Power Plant* | Total | Capital Work in Progress* |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Year Ended March 31, 2020** | | | | | | | | | | | | | | |
| **Gross Carrying Amount** | | | | | | | | | | | | | | |
| Cost as at April 1, 2020 | 29.56 | 2.99 | 61.45 | - | 979.60 | 37.62 | 24.41 | 10.15 | 16.96 | 25.48 | 52.74 | - | 1,240.96 | - |
| On acquisition of subsidiary | - | - | - | 4.32 | - | - | 0.43 | 0.12 | 0.03 | - | - | 314.84 | 319.74 | 33.22 |
| Additions | - | 56.03 | - | - | 132.96 | - | 6.30 | 1.45 | 3.83 | 2.64 | - | 62.99 | 266.20 | 401.39 |
| Disposals | - | - | - | - | - | - | - | - | - | (2.62) | - | (125.18) | (127.79) | - |
| Transfers | (29.56) | - | - | - | - | - | - | - | - | - | - | - | (29.56) | (61.49) |
| Less : Adjustment on account of sale of subsidiary | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| **Closing Gross Carrying Amount** | **-** | **59.01** | **61.45** | **4.32** | **1,112.57** | **37.62** | **31.14** | **11.72** | **20.82** | **25.50** | **52.74** | **252.65** | **1,669.54** | **373.13** |
| **Accumulated Depreciation** | | | | | | | | | | | | | | |
| Accumulated Depreciation as at April 1, 2020 | 4.30 | - | 19.74 | - | 235.03 | 8.80 | 18.93 | 4.96 | 7.15 | 9.79 | 32.96 | - | 341.66 | - |
| On acquisition of subsidiary | - | - | 2.00 | 0.09 | 189.09 | 3.22 | 5.21 | 1.71 | 1.76 | 2.78 | 4.57 | 7.53 | 217.97 | - |
| Depreciation charge during the year | - | - | - | 0.14 | - | - | 0.25 | 0.02 | 0.00 | 0.00 | - | 10.79 | 11.22 | - |
| Disposals | (4.30) | - | - | - | - | - | - | - | - | (1.52) | - | (3.00) | (8.82) | - |
| **Closing Accumulated Depreciation** | **-** | **-** | **21.73** | **0.23** | **424.13** | **12.02** | **24.39** | **6.69** | **8.92** | **11.05** | **37.54** | **15.32** | **562.02** | **-** |
| **Net Carrying Amount** | **-** | **59.01** | **39.71** | **4.09** | **688.44** | **25.60** | **6.75** | **5.02** | **11.90** | **14.45** | **15.20** | **237.33** | **1,107.52** | **373.13** |
| **Year Ended March 31, 2021** | | | | | | | | | | | | | | |
| **Gross Carrying Amount** | | | | | | | | | | | | | | |
| Opening Gross Carrying Amount | - | 59.01 | 61.45 | 4.32 | 1,112.57 | 37.62 | 31.14 | 11.72 | 20.82 | 25.50 | 52.74 | 252.65 | 1,669.54 | 373.13 |
| Additions | - | - | - | 46.23 | 48.17 | - | 0.60 | 1.73 | 0.88 | 5.62 | - | 1,171.31 | 1,274.53 | 326.70 |
| Additions on Account of Slump Purchase | - | - | - | - | 109.81 | 11.54 | 0.05 | 0.82 | 1.80 | - | 5.75 | - | 129.76 | 0.54 |
| Disposals | - | - | - | - | (56.13) | - | (8.98) | (0.13) | (0.08) | - | - | - | (65.33) | (0.53) |
| Transfers* | - | - | - | - | - | - | - | - | - | - | - | - | - | (686.65) |
| Less : Adjustment on account of sale of subsidiary | - | - | - | - | - | - | (0.04) | (0.00) | - | - | - | - | (0.04) | - |
| **Closing Gross Carrying Amount** | **-** | **59.01** | **61.45** | **50.55** | **1,214.41** | **49.15** | **22.77** | **14.13** | **23.41** | **31.12** | **58.49** | **1,423.96** | **3,008.46** | **13.19** |
| **Accumulated Depreciation** | | | | | | | | | | | | | | |
| Accumulated Depreciation as at April 1, 2020 | - | - | 21.73 | 0.23 | 424.13 | 12.02 | 24.39 | 6.69 | 8.92 | 11.05 | 37.54 | 15.32 | 562.02 | - |
| Depreciation charge during the year | - | - | 2.05 | 0.38 | 198.56 | 3.32 | 3.38 | 1.64 | 1.84 | 2.69 | 4.62 | 15.85 | 234.31 | - |
| Disposals* | - | - | - | - | (9.51) | - | (8.98) | (0.02) | (0.01) | - | - | - | (18.52) | - |
| Less : Adjustment on account of sale of subsidiary | - | - | - | - | - | - | (0.00) | (0.00) | - | - | - | - | (0.00) | - |
| **Closing Accumulated Depreciation** | **-** | **-** | **23.78** | **0.61** | **613.18** | **15.34** | **18.79** | **8.30** | **10.74** | **13.73** | **42.15** | **31.18** | **777.81** | **-** |
| **Net Carrying Amount** | **-** | **59.01** | **37.67** | **49.94** | **601.24** | **33.81** | **3.98** | **5.83** | **12.66** | **17.39** | **16.33** | **1,392.78** | **2,230.65** | **13.19** |

*** Reclassified on account of adoption of Ind AS 116**

Note 2 : Property, plant and equipment (Continued)

Right to use of Assets

( Rs. in Millions )

| Particulars | Leasehold Land | Factory Premises | Office Premises | Total |
|---|---|---|---|---|
| **Year ended March 31, 2020** | | | | |
| **Gross Carrying Amount** | | | | |
| Balance as at April, 1, 2019 | - | - | - | - |
| Transition impact on adoption of Ind AS 116 | - | 233.75 | 87.25 | 321.01 |
| Reclassified from property, plant and equipment on account of adoption of Ind AS 116 | 25.26 | - | - | 25.26 |
| **Balance as at March 31, 2020** | **25.26** | **233.75** | **87.25** | **346.26** |
| **Accumulated Depreciation** | | | | |
| Balance as at April, 1, 2019 | - | - | - | - |
| Depreciation charge during the year | 0.37 | 32.03 | 14.24 | 46.64 |
| Disposals | - | - | - | - |
| **Balance as at March 31, 2020** | **0.37** | **32.03** | **14.24** | **46.64** |
| **Net Carrying Amount as at March 31, 2020** | **24.89** | **201.73** | **73.01** | **299.63** |
| **Year ended March 31, 2021** | | | | |
| **Gross Carrying Amount** | | | | |
| Balance as at April, 1, 2020 | 25.26 | 233.75 | 87.25 | 346.26 |
| Additions | - | 229.75 | - | 229.75 |
| **Balance as at March 31, 2021** | **25.26** | **463.50** | **87.25** | **576.01** |
| **Accumulated Depreciation** | | | | |
| Balance as at April, 1, 2020 | 0.37 | 32.03 | 14.24 | 46.64 |
| Depreciation charge during the year | 0.37 | 33.75 | 14.41 | 48.53 |
| **Balance as at March 31, 2021** | **0.74** | **65.78** | **28.65** | **95.17** |
| | | | | |
| **Net Carrying Amount as at March 31, 2021** | **24.52** | **397.72** | **58.61** | **480.84** |

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**Notes to the Consolidated Financial Statements for the year ended March 31, 2021**

**Note 2 : Investment property** **( Rs. in Millions )**

**Following are the changes in the carrying value of investment property for the year ended March 31, 2021:**

| **Particulars** | **Land** |
|---|---|
| Gross carrying value as at April 1, 2020 | 3.48 |
| Additions | - |
| Deletion | - |
| Gross carrying value as at March 31, 2021 | 3.48 |
| Accumulated depreciation as at April 1, 2020 | - |
| Depreciation for the period | - |
| Accumulated depreciation as at March 31, 2021 | - |
| **Carrying value as at March 31, 2021** | **3.48** |

**Following are the changes in the carrying value of investment property for the year ended March 31, 2021:**

| **Particulars** | **Land** |
|---|---|
| Gross carrying value as at April 1, 2020 | 3.48 |
| Additions | - |
| Deletion | - |
| Gross carrying value as at March 31, 2021 | 3.48 |
| Accumulated depreciation as at April 1, 2020 | - |
| Depreciation for the period | - |
| Accumulated depreciation as at March 31, 2021 | - |
| **Carrying value as at March 31, 2021** | **3.48** |


**i) Fair Value**

| **Particulars** | **As at March 31, 2021** | **As at March 31, 2020** |
|---|---|---|
| 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, 2021 is based on the guideline rates prescribed by the Government of Tamilnadu. The fair value measurement is categorised in level 2 fair value hierarchy.

**Note 2 : Other intangible assets**

| **Particulars** | **Solar Power Plant *** | **Computer Software** | **Total** | **Intangible Asset under development **** |
|---|---|---|---|---|
| **Year Ended March 31, 2020** | | | | |
| **Gross Carrying Amount** | | | | |
| Cost as at April 01, 2019 | 42.58 | 20.40 | 62.98 | 2.14 |
| On acquisition of subsidiary | - | 0.05 | 0.05 | 0.18 |
| Additions | 16.04 | 0.05 | 16.10 | 28.91 |
| Transfers | - | - | - | (2.14) |
| **Closing Gross Carrying Amount** | **58.62** | **20.50** | **79.12** | **29.09** |
| **Accumulated Amortisation** | | | | |
| Accumulated Amortisation April 01, 2019 | 6.35 | 19.54 | 25.89 | - |
| Amortisation Charge for the Year | 2.36 | 0.89 | 3.25 | - |
| **Closing Accumulated Amortisation** | **8.71** | **20.43** | **29.14** | **-** |
| **Closing Net Carrying Amount** | **49.91** | **0.07** | **49.98** | **29.09** |
| **Year Ended March 31, 2021** | | | | |
| **Gross Carrying Amount** | | | | |
| Opening Gross Carrying Amount | 58.62 | 20.50 | 79.12 | 29.09 |
| Additions | 13.90 | 0.82 | 14.72 | - |
| Transfers | - | - | - | (13.90) |
| Disposals / Adjustments | - | (6.06) | (6.06) | - |
| **Closing Gross Carrying Amount** | **72.52** | **15.25** | **87.78** | **15.19** |
| **Accumulated Amortisation** | | | | |
| Opening Accumulated Amortisation | 8.71 | 20.43 | 29.14 | - |
| Amortisation Charge for the year | 2.44 | 0.11 | 2.56 | - |
| Disposals / Adjustments | - | (6.06) | (6.06) | - |
| **Closing Accumulated Amortisation** | **11.15** | **14.48** | **25.63** | **-** |
| **Closing Net Carrying Amount** | **61.37** | **0.77** | **62.14** | **15.19** |

( Rs. in Millions)

Note 3 : Investments

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| **I. Investments valued at deemed cost** | | |
| **Investment in equity shares** | | |
| Investment in associate | - | - |
| | - | - |
| **Investment in preference shares** | | |
| Investment In other companies | 720.00 | 720.00 |
| | **720.00** | **720.00** |
| **Investment in debentures** | | |
| Investment In other companies | 100.00 | 100.00 |
| | **100.00** | **100.00** |
| **NSC Certificate** | - | 0.00 |
| | **820.00** | **820.00** |

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

| Particulars | As at March 31, 2021 | | As at March 31, 2020 | |
|---|---|---|---|---|
| | Number | ( Rs. in Millions) | Number | ( Rs. in Millions) |
| **I. Investments valued at cost, fully paid up, unquoted, unless otherwise stated** | | | | |
| **a) Investments in equity shares:** | | | | |
| **i) In associate** | | | | |
| Shalibhadra Energies Private Limited | 2,778 | 0.03 | 2,778 | 0.03 |
| Share of Loss in Associate | - | (0.03) | - | (0.03) |
| | **2,778** | **-** | **2,778** | **-** |
| **b) Investments in preference shares:** | | | | |
| **(i) Investment In other companies** | | | | |
| (Face value of ₹ 10 each) | | | | |
| Waaree Renewables Private Limited | 60,000 | 720.00 | 60,000 | 720.00 |
| | **60,000** | **720.00** | **60,000** | **720.00** |
| **c) Investments in compulsory convertible debentures:** | | | | |
| **i) In other companies** | | | | |
| Taxus Infrastructure and Power Projects Private Limited | 1,00,000 | 100.00 | 1,00,000 | 100.00 |
| (Face value of ₹ 1000 each) | **1,00,000** | **100.00** | **1,00,000** | **100.00** |

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| **Aggregate of non-current investments:** | | |
| Aggregate amount of quoted investments and market value thereof | - | - |
| Aggregate amount of unquoted investments | 820.00 | 820.00 |
| Aggregate amount of impairment in value of investments | - | - |

Waaree Energies Limited

WAAREE ENERGIES LIMITED

Notes to the Consolidated Financial Statements for the year ended March 31, 2021

( Rs. in Millions )

Note 4 : Trade receivables

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| Unsecured, considered good | 51.66 | 57.89 |
| | **51.66** | **57.89** |

Note 5 : Security deposits

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| Security deposits | 48.29 | 32.52 |
| | **48.29** | **32.52** |

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

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| Relatives of director | 19.00 | 19.00 |

Note 6 : Other financial assets

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| Fixed deposits | 330.44 | 350.29 |
| Accrued Interest on Fixed Deposits | 14.51 | 7.83 |
| Others | 0.05 | 0.05 |
| | **345.00** | **358.17** |

Note 7 : Income tax assets (net)

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| Advance tax and TDS (net of provisions) | 37.97 | 37.02 |
| | **37.97** | **37.02** |

Note 8 : Other non-current assets

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| Capital advances | 903.11 | 69.30 |
| Deferred portion of financial assets carried at amortized cost | 23.93 | 12.69 |
| Other non current assets | 5.98 | 3.33 |
| | **933.02** | **85.31** |

Note 9 : Inventories

(Valued at lower of cost or net realisable value)

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| Raw Materials and components | 2,404.95 | 1,887.81 |
| (including goods-in-transit of Rs. 1517.84 millions (PY Rs. 985.83 millions)) | | |
| Packing Materials | 5.24 | 4.25 |
| Work-in-process | 236.91 | 131.37 |
| Finished Goods | 1,005.00 | 174.25 |
| (including goods-in-transit of Rs. 267.54 millions (PY Nil)) | | |
| Stock-in-trade | 27.91 | 233.37 |
| | **3,680.02** | **2,431.05** |

Waaree Energies Limited

( Rs. in Millions )

## Note 10 : Investments

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| Investment in mutual funds | | |
| HDFC Liquid Fund (No of Units : 1,882.205 (P Y: 26,42.205) | 7.56 | 10.25 |
| HDFC Low Duration Fund (No of Units : 5,78,340.395, (PY 5,78,340.395) | 26.03 | 24.31 |
| Aditya Birla Sun life - Regular Plan Growth ( No of Units : 2,44,464.2782 , (PY : Nil) | 80.50 | - |
| Aditya Birla Sun life Money Manager Fund - Regular Plan Growth ( No of Units : 3,45,253.9024 , (PY : Nil) | 100.95 | - |
| HDFC Money Manager Fund - Regular Plan Growth ( No of Units : 8,802.2658 , PY : Nil) | 38.63 | - |
| HDFC Money Manager Fund- Regular Plan Growth ( No of Units : 25,133.487 , PY : Nil) | 80.77 | - |
| | **334.44** | **34.57** |

**Aggregate of current investments:**

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| Financial Assets measured at fair value through profit and loss | 334.44 | 34.57 |

## Note 11 : Trade receivables

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| Secured considered good | 60.07 | 697.71 |
| Unsecured considered good | 1,187.62 | 752.69 |
| | **1,247.70** | **1,450.41** |
| Less: Allowance for expected credit loss | (65.28) | (48.00) |
| | **1,182.42** | **1,402.41** |

**Trade Receivable stated above include:**

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| (Unsecured, considered good) | | |
| Companies / LLP where directors are interested | 25.76 | 494.79 |

## Note 12 : Cash and cash equivalents

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| Balances with banks | | |
| -In current account | 63.00 | 66.65 |
| Cash on Hand | 0.16 | 0.25 |
| Fixed deposits with banks with original maturity of less than three months* | 65.04 | 272.56 |
| | **128.20** | **339.45** |

* Held as margin money

## Note 13 : Bank balances other than cash and cash equivalents

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| Fixed deposits with Banks | 1,304.32 | 797.80 |
| Less: Fixed deposit with original maturity of more than one year (refer note no. 6) | 330.44 | 350.29 |
| | **973.88** | **447.51** |

**Fixed deposits with banks includes**

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| Held as margin money or security against borrowings, guarantees, other commitments | 1,255.97 | 797.80 |

Waaree Energies Limited

**Note 14 : Loans**

(Unsecured, considered good)

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| **Considered good** | | |
| Loans to related parties | 437.29 | 553.72 |
| Loans to others | 41.97 | 17.78 |
| | **479.25** | **571.50** |

**Loans to related parties includes :**

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| Companies / LLP where directors are interested | 437.29 | 553.72 |

**Note 15 : Other financial assets**

Unsecured, considered good

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| Deposits | 26.47 | 20.28 |
| Less: Provision for doubtful deposits | (10.50) | - |
| | **15.97** | **20.28** |
| Accrued interest | 16.02 | 9.64 |
| Foreign currency forward and option contracts | - | 6.61 |
| Escrow account balances | 0.02 | 0.04 |
| Export incentive receivable | - | 22.08 |
| Government Grant receivables | 11.86 | 6.37 |
| Refund receivable from government authorities | 49.54 | 187.43 |
| Others Receivable | 155.13 | 151.18 |
| | **248.53** | **403.63** |

Other Receivables includes :

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| **Other Receivables includes :** | | |
| Companies / LLP where directors are interested ( Considered good ) | 9.38 | - |

**Note 16 : Other current assets**

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| Advance to suppliers | 219.82 | 159.54 |
| Less: Allowance for doubtful advances | (8.68) | (5.93) |
| | **211.14** | **153.60** |
| Prepaid expenses | 59.04 | 20.15 |
| Balances with government authorities | 400.73 | 259.39 |
| Others | 1.17 | 9.05 |
| | **672.08** | **442.20** |

**Advance to suppliers includes :**

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| Companies / LLP where directors are interested | 7.00 | 5.20 |

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Notes to the Consolidated Financial Statements for the year ended March 31, 2021

( Rs. in Millions )

## Note 17 : Equity share capital

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

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| **Authorised capital** | | |
| 50,00,00,000 equity shares of Rs. 10/- each | 5,000.00 | 5,000.00 |
| **Issued capital, subscribed and paid up** | | |
| 19,71,38,492 Equity Shares of Rs 10/- each | 1,971.38 | 1,971.38 |
| | **1,971.38** | **1,971.38** |

### 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, 2021 | | As at March 31, 2020 | |
|---|---|---|---|---|
| | 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% | 1,97,07,174 | 10.00% |
| Pankaj Chimanlal Doshi | 1,92,51,967 | 9.77% | 75,82,114 | 3.85% |
| Binita H.Doshi | 1,55,87,006 | 7.91% | 1,55,87,006 | 7.91% |
| Neepa V Doshi | 1,51,89,901 | 7.71% | 1,51,89,901 | 7.71% |
| Hitesh C. Doshi | 1,40,43,144 | 7.12% | 1,40,43,144 | 7.12% |
| Bina P. Doshi | - | 0.00% | 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% | 1,01,31,844 | 5.14% |

### d. Reconciliation of number of shares

| Particulars | As at March 31, 2021 | | As at March 31, 2020 | |
|---|---|---|---|---|
| | Number | Rs. in Millions | Number | Rs. in Millions |
| Shares outstanding at the beginning of the year | 19,71,38,492 | 1,971.38 | 19,71,38,492 | 1,971.38 |
| Shares bought back during the year | - | - | - | - |
| **Shares outstanding at the end of the year** | **19,71,38,492** | **1,971.38** | **19,71,38,492** | **1,971.38** |

### 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, 2021 are 121,315,992 shares (Allotted during year ended March 31, 2018 is 12,13,15,992 shares)

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WAAREE ENERGIES LIMITED

Notes to the Consolidated Financial Statements for the year ended March 31, 2021

Note 18 : Other equity

( Rs. in Millions )

| Particulars | Debenture Redemption Reserve | Foreign Currency Translation Reserve | Capital Reserve on consolidation | Retained Earnings | Other Comprehensive Income | Total |
|---|---|---|---|---|---|---|
| **Balance as at April 1, 2020** | 137.50 | (0.74) | 4.40 | 462.74 | 3.00 | 606.89 |
| Adjustments during the year | - | (0.69) | - | - | - | (0.69) |
| Transfer to retained earnings on redemption of debentures | (79.00) | - | - | 79.00 | - | - |
| Impact on adoption of IND AS 116 ( Refer Note 46 ) | - | - | - | (30.22) | - | (30.22) |
| Total Comprehensive Income for the year | - | - | - | 445.23 | (3.86) | 441.37 |
| **Balance as at March 31, 2020** | **58.50** | **(1.43)** | **4.40** | **956.75** | **(0.86)** | **1,017.36** |
| Creation of debenture redemption reserve | 187.50 | - | - | (187.50) | - | - |
| Transfer to retained earnings on redemption of debentures | (58.50) | - | - | 58.50 | - | - |
| Adjustment towards Business Combination as per IND AS 103 | - | - | - | (23.80) | - | (23.80) |
| Total Comprehensive Income for the year | - | - | - | 485.08 | 1.17 | 486.24 |
| **Balance as at March 31, 2021** | **187.50** | **(1.43)** | **4.40** | **1,289.02** | **0.31** | **1,479.80** |

## Nature and Purpose of Reserves

### Debenture redemption reserve

The Group is required to create a debenture redemption reserve out of the profits which are available for payment of dividend to be utilised for the purpose of redemption of debentures in accordance with the provisions of the Act.

### Foreign currency translation reserve (FCTR)

The exchange differences arising from the translation of financial statements of foreign operations with functional currency other than Indian rupees is presented within equity in the FCTR.

### Capital reserve

The Group recognizes profit or loss on purchase or cancellation (including forfeiture) of its own equity instruments to capital reserve.

### 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.

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( Rs. in Millions )

Note 19 : Borrowings

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| **Secured** | | |
| **Non Convertible Debentures** | | |
| 15.50% Non Convertible Debentures - Series - II | - | 232.46 |
| Less: Current maturities of long term debt NCD-II | - | (232.46) |
| | - | - |
| 13.90% Non Convertible Debentures - Series A | 346.82 | - |
| Less: Current maturities of long term debt | (250.00) | - |
| | 96.82 | |
| 14.15% Non Convertible Debentures - Series B | 395.96 | - |
| Less: Current maturities of long term debt | - | - |
| | 395.96 | |
| | 492.78 | - |
| **Hire Purchase Loans** | 7.94 | 6.48 |
| Less: Current maturities of long term debt | (2.71) | (1.64) |
| | 5.23 | 4.84 |
| **Term Loan from others** | 1,155.19 | 432.21 |
| Less: Current maturities of long term debt | (124.38) | (103.90) |
| | 1,030.81 | 328.31 |
| **Unsecured** | | |
| Inter corporate deposits from related parties | (0.00) | 13.34 |
| Inter corporate deposits from others | 442.47 | 366.70 |
| | 442.47 | 380.04 |
| | 1,971.29 | 713.19 |

**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. Nil million (PY Rs. 234.00 millions), are secured by way of:

(i) First ranking pledge of over 95.46% 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 the guarantors, viz. Mr. Hitesh Doshi and Mr. Viren Doshi

The Debentures have been fully repaid during the year

13.90% Secured, Unlisted, Senior, Redeemable 350 Nos of Non-Convertible Debentures of face value Rs.1 million each aggregating to Rs.350 million (PY Rs. Nil million), secured by way of:

(i) First ranking pledge over the 51% shares of the Company held by Promoter group in terms of Pledge Agreement;

(ii) First ranking charge and hypothecation over proceeds from sale of Waneep Solar Private Limited's stake and Nagari Project (approximately 750 million);

(iii) First ranking charge and hypothecation over the Company's Designated Account and all amounts standing to the same, whether now or in the future, other than the DSR amount;

(iv) First ranking pledge over 100% sharers of the Waaree Renewables Private Limited (WRPL) held by promoters;

(v) Corporate Guarantee from WRPL;

(vi) First and exclusive charge overall fixed assets & current assets of WRPL, including the WRPL Designated Account.

(vii) First ranking and exclusive charge on the DSR Amount;

(viii) Residual charge on all the fixed and current assets of the Company;

(ix) Demand Promissory Note and Letter of Continuity from the Company; and

(x) Personal Guarantees provided by the Promoters in favour of the Debenture Trustee.

The Debentures are redeemable in 3 quarterly instalments starting November 1, 2021.

Waaree Energies Limited

( Rs. in Millions )

**Non Convertible Debentures includes(Secured)**

14.15% Secured, Unlisted, Senior, Redeemable 400 Nos of Non-Convertible Debentures of face value Rs.1 million each aggregating to Rs.400 million (PY Rs. Nil millions), are secured by way of:

(i) First ranking pledge over the 51% shares of the Company held by Promoter group in terms of Pledge Agreement;

(ii) First ranking charge and hypothecation over proceeds from sale of Waneep Solar Private Limited's stake and Nagari Project (approximately 750 million);

(iii) First ranking charge and hypothecation over the Company's Designated Account and all amounts standing to the same, whether now or in the future, other than the DSR amount;

(iv) First ranking pledge over 100% sharers of the Waaree Renewables Private Limited (WRPL) held by promoters;

(v) Corporate Guarantee from WRPL;

(vi) First and exclusive charge overall fixed assets & current assets of WRPL, including the WRPL Designated Account.

(vii) First ranking and exclusive charge on the DSR Amount;

(viii) Residual charge on all the fixed and current assets of the Company;

(ix) Demand Promissory Note and Letter of Continuity from the Company; and

(x) Personal Guarantees provided by the Promoters in favour of the Debenture Trustee.

The Debentures are redeemable in 4 quarterly instalments starting May 1, 2022.

**Hire Purchase Loans (Secured)**

Hire purchase Loan from Banks amounting to Rs. 7.94 millions (PY Rs. 6.48 millions) which is secured by hypothecation of Vehicle financed. The said loan is repayable monthly in 36 to 60 equal instalments @ interest rate of 8.50 % p.a to 9.61 % p.a.

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

(i) Loan from Indian Renewable Energy Development Agency Limited (IREDA) amounting to Rs.332.82 million (PY Rs.436.73 millions). The loan has to be repaid in 20 quarterly instalments starting from September 30, 2019 and carries interest rate of 11.00% (PY 10.80%) per annum. The loan is primarily secured by hypothecation of all Movable Assets 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 fixed deposit of Rs.78.00 million (PY Rs.78.00 millions) and personal guarantee by one of the Director and his relative.

(ii) Loan from Indian Renewable Energy Development Agency Limited (IREDA) amounting to Rs.51.97 million (PY Rs. Nil millions) under the Modified Top up Loan Scheme to tide over fund crisis due to Coronavirus pandemic. The loan has to be repaid in 15 quarterly instalments starting from December 31, 2020 and carries interest rate of 11.00% per annum. The loan is primarily secured by extension of charges on the primary security / collateral security already held for the main loan i.e. hypothecation of all Movable Assets 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 and collaterally secured by fixed deposit of Rs.78.00 million and personal guarantee by one of the Director and his relative.

(iii) Loan from Indian Renewable Energy Development Agency Limited (IREDA) amounting to Rs.340.88 million (PY Rs. Nil millions). The loan has to be repaid in 48 quarterly instalments starting from December 31, 2020 and carries interest rate of 10.95% per annum. The loan is primarily secured by first charge on all the borrowers movables including machinery, machinery spares, tools and accessories pertaining to (12.5 MWp) solar PV Project at Polagam Taluk, karikal District, pondicherry and elsewhere both present & future.

(iii) Loan from Aditya Birla Finance Limited amounting to Rs.432.60 million (PY Rs. Nil millions). The loan has to be repaid in 53 quarterly instalments starting from June 30, 2022 and carries interest rate of 9.65% per annum. This facility is secured as follows:

1) First and exclusive charge on all the freehold and/or leasehold rights on all immovable properties/assets, project documentation (backed by any NOC required from the lessor for the purpose of this mortgage)

2) First and exclusive charge by way of hypothecation of all present and future movable assets, but not limited to plant, machinery, spares ,etc.

3) First and exclusive charge on current assets, including but not limited to book debts, operating cash flows, receivables, commissions, revenue of whatsoever in nature and where arising present or future

4) Pari-passu charge on intangibles not including goodwill, uncalled capital, bank account including but not limited to TRA & DSRA

5) Pari-passu charge and assignment by way of security all the rights, title, interest and benefits, claims and demand whatsoever in the project documents under all clearance, to extend permissible under applicable law, both present and future.

6) Pledge of shares upto 51% of total paid up share capital, held by majority of shareholder. The share to be pledge shall be free form any restrictive covenants/ lien or any other encumbrance under any contacts.

**Intercorporate deposit (Unsecured)**

Intercorporate deposits amounting to Rs. 442.47 millions (PY Rs. 380.04 millions) are repayable after one year and carries interest from 9.25% p.a. To 10.75% p.a.

( Rs. in Millions )

**Note 20 : Lease liabilities**

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| Lease liabilities | 443.70 | 274.01 |
| | **443.70** | **274.01** |

**Note 21 : Long term provisions**

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| Provision for warranty | 304.00 | 236.83 |
| **Provision for employee benefits:** | | |
| Leave entitlement | 20.78 | 16.97 |
| Gratuity | 0.72 | 4.92 |
| | **325.50** | **258.72** |

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, 2021 | As at March 31, 2020 |
|---|---|---|
| Opening Balance | 236.83 | 153.89 |
| Additions during the year | 72.31 | 85.77 |
| Less: Utilisation during the year | (5.14) | (2.83) |
| Closing Balance | **304.00** | **236.83** |

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, 2021 | As at March 31, 2020 |
|---|---|---|
| Deferred Government Grant | 13.89 | 9.79 |
| | **13.89** | **9.79** |

**Note 24 : Borrowings**

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| **Loans repayable on demand** | | |
| **Secured** | | |
| **From Banks:-** | | |
| Cash credit facility | 525.66 | 173.39 |
| **Unsecured** | | |
| Loan from Directors | 0.02 | - |
| Inter corporate deposits from others | 21.64 | 31.03 |
| | **547.32** | **204.42** |

**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.525.66 millions (PY Rs.173.39 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 - 6 Months MCLR + 2.75 % (b) Bank of Maharashtra - 1 year MCLR + 2.50 % (c) IndusInd Bank Ltd - 1 year MCLR + 1.30%.

**Intercorporate deposit (Unsecured)**

Intercorporate deposits amounting to Rs. 21.66 millions (PY Rs. 31.03 millions) are Repayable on demand and carries interest from 10.75% p.a. to 16% p.a.

Waaree Energies Limited

(Rs. in Millions)

**Note 25 : Lease liabilities**

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| Lease liabilities | 59.33 | 40.67 |
| | **59.33** | **40.67** |

**Note 26 : Trade payables**

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| Total outstanding dues of micro enterprises and small enterprises | 117.22 | 70.01 |
| Total outstanding dues of creditors other than micro enterprises and small enterprises | 4,255.47 | 2,848.08 |
| | **4,372.69** | **2,918.09** |

**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, 2021 | As at March 31, 2020 |
|---|---|---|
| The principal amount remaining unpaid to any supplier as at the end of accounting year; | 117.22 | 70.01 |
| The interest due and remaining unpaid to any supplier as at the end of accounting year; | 0.44 | - |
| 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 due and payable for the period (where the principal has been paid but interest under the MSMED Act, 2006 not paid); | - | - |
| The amount of interest accrued and remaining unpaid at the end of accounting year; and | 0.44 | - |
| 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. | - | - |

**Note 27 : Other financial liabilities**

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| Current maturities of long term debt | 377.10 | 338.00 |
| Interest accrued | 17.16 | 6.74 |
| Payables for capital goods | 22.08 | 120.59 |
| Other payables | 48.41 | 12.34 |
| | **464.74** | **477.68** |

**Note 28 : Provisions**

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| **Provision for employee benefits:** | | |
| Leave entitlement | 1.81 | 1.76 |
| Provision for gratuity | 0.02 | - |
| **Others:** | | |
| Provision for taxation (net of advance tax) | 138.55 | 133.26 |
| | **140.39** | **135.02** |

**Note 29 : Other current liabilities**

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| Advances from customers | 522.94 | 857.32 |
| Statutory dues payable | 44.96 | 35.00 |
| Deposits from dealer, franchisee etc. | 0.35 | 7.31 |
| Government Grant | 9.79 | 23.69 |
| Others | 0.02 | 0.63 |
| | **578.07** | **923.95** |

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Notes to the Consolidated Financial Statements for the year ended March 31, 2021

( Rs. in Millions )

Note 22 : Tax expenses

(a) Amounts recognised in Statement of Profit and Loss

| Particulars | Year Ended March 31, 2021 | Year Ended March 31, 2020 |
|---|---|---|
| **Current tax expense (A)** | | |
| Current year | 211.04 | 192.56 |
| **Short/(Excess) provision of earlier years (B)** | | |
| Tax for earlier years | 8.84 | (7.63) |
| **Deferred tax expense (C)** | | |
| Origination and reversal of temporary differences | 18.55 | (23.51) |
| **Tax expense recognised in the income statement (A+B+C)** | **238.42** | **161.42** |

(b) Amounts recognised in other comprehensive income

| Particulars | Year Ended March 31, 2021 | | | Year Ended March 31, 2020 | | |
|---|---|---|---|---|---|---|
| | 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** | | | | | | |
| Remeasurements of the defined benefit plans | (1.61) | 0.36 | (1.25) | 3.01 | (0.49) | 2.52 |
| Fair value changes on derivatives designated as cashflow hedge | - | - | - | 1.61 | (0.26) | 1.34 |
| | **(1.61)** | **0.36** | **(1.25)** | **4.62** | **(0.76)** | **3.86** |

(c) Reconciliation of effective tax rate

| Particulars | Year Ended March 31, 2021 | Year Ended March 31, 2020 |
|---|---|---|
| **Profit before tax** | 713.04 | 579.52 |
| Tax using the Company's domestic tax rate 25.168% (PY 25.168%) | 179.46 | 145.85 |
| **Tax effect of :** | | |
| Tax effect on non-deductible expenses | (17.09) | (1.22) |
| Tax effect of other income | 49.80 | 31.31 |
| Others | 16.97 | (6.89) |
| Adjustments recognised in current year in relation to the current tax of prior years | 8.84 | (7.63) |
| **Tax expense as per Statement of Profit & Loss** | **237.97** | **161.41** |
| Effective tax rate | 33.374% | 27.852% |

(d) Deferred tax liabilities (net)

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| **Deferred tax liabilities** | | |
| Property, plant and equipment's | - | 5.51 |
| Excess of capital expenditure allowed in income tax over expenditure debited to profit and loss account | 91.63 | 35.34 |
| | **91.63** | **40.85** |
| **Deferred tax asset** | | |
| Property, Plant and Equipment's | 25.17 | - |
| Provision for doubtful debts/ advances | 4.97 | 1.63 |
| Provision for expected credit loss | 16.43 | 12.08 |
| Other Temporary differences | 0.42 | 0.65 |
| Provision for employee benefits | 3.91 | 4.66 |
| | **50.91** | **19.03** |
| | **40.72** | **21.82** |

Waaree Energies Limited

( Rs. in Millions )

**Note 30 : Revenue from operations**

| Particulars | Year Ended March 31, 2021 | Year Ended March 31, 2020 |
|---|---|---|
| **Sale of products and services** | | |
| Sale of Solar Power Products | 19,251.05 | 19,722.27 |
| Sale of Services | 104.88 | 25.60 |
| **Generation of Electricity from Renewal Sources** | 61.83 | 24.28 |
| **Other operating revenue** | | |
| Export incentives | 43.96 | 67.17 |
| Sale of scrap | 30.22 | 29.02 |
| Franchisee fees | 35.84 | 89.48 |
| | **19,527.76** | **19,957.84** |

**Note 31 : Other income**

| Particulars | Year Ended March 31, 2021 | Year Ended March 31, 2020 |
|---|---|---|
| Interest income | 172.97 | 136.95 |
| Interest received on financial assets carried at amortised cost | 2.15 | 3.32 |
| Government Grant | 38.15 | 72.88 |
| Profit on foreign exchange fluctuation (net) | 159.55 | 23.14 |
| Profit on sale of property, plant and equipment | 2.38 | - |
| Profit on sale of current investment | 0.57 | 1.52 |
| Gain on change in fair value of investment | 3.14 | 0.08 |
| Profit on sale of subsidiary | 10.16 | - |
| Miscellaneous receipts | 16.87 | 17.39 |
| | **405.94** | **255.29** |

**Note 32 : Cost of materials consumed**

| Particulars | Year Ended March 31, 2021 | Year Ended March 31, 2020 |
|---|---|---|
| Opening stocks | 1,887.81 | 647.77 |
| Add: Purchases | 13,594.70 | 15,824.00 |
| Less: Closing stocks | (2,404.95) | (1,887.81) |
| Less: Cost of raw materials sold to subsidiaries | (458.47) | (259.60) |
| | **12,619.09** | **14,324.36** |

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

| Particulars | Year Ended March 31, 2021 | Year Ended March 31, 2020 |
|---|---|---|
| Purchases | 4,226.26 | 2,164.01 |
| | **4,226.26** | **2,164.01** |

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

| Particulars | Year Ended March 31, 2021 | Year Ended March 31, 2020 |
|---|---|---|
| *Opening Inventory* | | |
| Traded Goods | 233.37 | 168.50 |
| Finished Goods | 174.26 | 106.81 |
| Work-In-Progress | 131.37 | 72.53 |
| | **539.01** | **347.84** |
| *Closing Inventory* | | |
| Traded Goods | (27.91) | (233.37) |
| Finished Goods | (1,005.00) | (174.26) |
| Work-In-Progress | (236.91) | (131.37) |
| | **(1,269.82)** | **(539.01)** |
| | **(730.81)** | **(191.17)** |

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( Rs. in Millions )

Note 35 : Other manufacturing and EPC project expenses

| Particulars | Year Ended March 31, 2021 | Year Ended March 31, 2020 |
|---|---|---|
| Stores and spares consumed | 35.92 | 34.22 |
| Electricity charges | 101.14 | 126.49 |
| Labour charges | 261.20 | 241.73 |
| Job work charges | 18.03 | 37.21 |
| **Repairs and Maintenance:-** | | |
| Repairs to machinery | 2.94 | 14.16 |
| Repairs to building | 0.92 | 2.01 |
| EPC project expenses | 138.74 | 220.59 |
| Less: Elimination of other manufacturing and EPC project expense for subsidiaries | (14.17) | (11.34) |
| | **544.72** | **665.07** |

Note 36 : Employee benefits expense

| Particulars | Year Ended March 31, 2021 | Year Ended March 31, 2020 |
|---|---|---|
| Salaries and incentives | 392.68 | 463.39 |
| Directors remuneration | 54.37 | 51.13 |
| Contribution to PF and other funds | 15.84 | 19.11 |
| Staff welfare expenses | 30.32 | 21.03 |
| Less: Elimination of employee expense for subsidiaries | (12.30) | (8.05) |
| | **480.92** | **546.61** |

Note 37 : Sales, administration and other expenses

| Particulars | Year Ended March 31, 2021 | Year Ended March 31, 2020 |
|---|---|---|
| Rent | 7.05 | 12.58 |
| Insurance | 55.03 | 25.00 |
| Rates and taxes | 1.40 | 5.75 |
| Legal and professional | 88.62 | 91.91 |
| Auditors remuneration | 3.02 | 2.51 |
| Travelling and conveyance | 17.96 | 50.26 |
| Warranty | 72.31 | 85.77 |
| Business promotion expenses | 64.88 | 73.89 |
| Commission | 34.95 | 36.92 |
| Packing materials expenses | 175.29 | 195.31 |
| Transportation freight, duty and handling charges | 932.38 | 796.26 |
| Bad debts | - | 44.56 |
| Provision for expected credit loss | 17.27 | 8.52 |
| Provision for impairment of assets | - | 17.63 |
| Capital-work-in-progress written off | 0.53 | 4.18 |
| Loss on sale/discard of property, plant and equipment | - | 5.22 |
| Corporate social responsibility expense | 11.04 | 15.13 |
| Miscellaneous expenses | 95.80 | 80.20 |
| Less: Elimination of other expense for subsidiaries | (38.48) | (21.25) |
| | **1,539.06** | **1,530.34** |

Payment to Auditors :-

| Particulars | Year Ended March 31, 2021 | Year Ended March 31, 2020 |
|---|---|---|
| Audit fees | 2.89 | 2.39 |
| Tax matters | 0.11 | 0.11 |
| Other services | 0.02 | 0.01 |
| | **3.02** | **2.51** |

Waaree Energies Limited

( Rs. in Millions )

**Note 38 : Finance costs**

| Particulars | Year Ended March 31, 2021 | Year Ended March 31, 2020 |
|---|---|---|
| Interest expense | 225.33 | 245.96 |
| Interest expense on lease liability | 21.74 | 23.50 |
| Other borrowing costs | 56.16 | 61.34 |
| Less: Elimination of finance cost for subsidiaries | (6.64) | (4.53) |
| | **296.59** | **326.27** |

**Note 39 : Depreciation and amortization expense**

| Particulars | Year Ended March 31, 2021 | Year Ended March 31, 2020 |
|---|---|---|
| Depreciation on property, plant and equipment | 234.31 | 218.20 |
| Depreciation on lease assets | 48.53 | 46.64 |
| Amortisation on intangible assets | 2.56 | 3.25 |
| | **285.40** | **268.09** |

**Note 40 : Exceptional Items**

| Particulars | Year Ended March 31, 2021 | Year Ended March 31, 2020 |
|---|---|---|
| Gain on disposal of investment | 40.56 | - |
| | **40.56** | **-** |

During the financial year 2018-19, holding company has disposed off its investments in the wholly owned subsidiary Waaneep Solar Private Limited for which profit were recognised as exceptional item in the year of sale. The Purchaser had withheld amount of Rs 326.17 million due to certain contingency involved. During the year the company has recognised Rs 40.56 millions out of the total amount as income based on settlement agreement.

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

| Particulars | Year Ended March 31, 2021 | Year Ended March 31, 2020 |
|---|---|---|
| **Basic / Dilutive Earnings per Share** | | |
| Profit/(loss) attributable to equity shareholders | 485.08 | 445.22 |
| Weighted average number of equity shares (In Millions) | 197.14 | 197.14 |
| **Basic Earnings Per Share** | 2.46 | 2.26 |
| **Face value per Share** | 10 | 10 |

**Note 42 : Contingent Liabilities**

**a) Contingent liabilities**

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| **Contingent liabilities not provided for:** | | |
| Claims against the parent company not acknowledged as debts | 130.61 | 57.38 |
| Disputed statutory liability of parent company | 98.33 | 108.25 |
| Guarantee given by bank on behalf of the parent company | 483.42 | 576.65 |
| Guarantee/indemnity given by parent company to others | 786.66 | 880.09 |
| Letter of credit outstanding of parent company | 535.50 | 148.89 |
| Inland/export bill discounting of parent company | 1,770.56 | 1,493.55 |
| | **3,805.07** | **3,264.82** |

The holding company has entered into an EPC Agreement amounting to Rs. 251 million with Taxus Infrastructure and Power Projects Private Limited ("Taxus") in FY 2012-2013. From the total consideration payable by Taxus Rs.60.07 million is still outstanding as on March 31, 2021. The said amount is secured against, (1) Post Dated Cheques, (2) Pledge of Shares from Promoters of Taxus, (3) Personal Guarantee from Promoters of Taxus and (4) Demand Promissory Note.

The holding company has further invested Rs.100 million through compulsory convertible debentures mandatorily convertible into equity shares within a period of 65 months from the date of allotment. The Company exercised its option of converting debentures into equity shares on completion of period, but Taxus did not comply with the same. The holding company initiated Arbitration Proceedings inter alia for recovery of the trade receivable as well as the debenture amounts. The court appointed sole arbitrator heard the matter after arguments of both the sides and reserved the matter for passing award as on date. In view of the management, award would be in favour of the Company.

Waaree Energies Limited

( Rs. in Millions )

**b) Contingent assets**

During the FY 2018-19, the holding 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. 484.17 million is withheld by the buyer which will be remitted on closure of pending litigations and obligations in such subsidiary. The company has recognized Rs.40.56 million (PY Rs. 158.00 million) on the basis of certainty and balance amount of Rs. 251.07 million (PY Rs. 326.17 million) will be recognized as income on successful closure of such litigations and obligations which are contingent in nature. The company continue to disclose Rs 326.17 million as Contingent Assets.

**c) Capital commitments**

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| Estimated amount of contracts remaining to be executed on capital account (net of advance) | 1,052.64 | 462.95 |
| | **1,052.64** | **462.95** |

Waaree Energies Limited

( ₹ in Millions )

**Note 43: Disclosure pursuant to Ind AS - 19 'Employee Benefit Expense'**

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

The Group has the following defined benefit plans

**Gratuity**: In accordance with the applicable laws, the Group 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, 2021 | As at March 31, 2020 |
| Present value of funded obligations | 29.43 | 24.45 |
| Fair value of plan assets | 28.64 | 19.53 |
| **Net (asset)/ liability recognised** | **0.79** | **4.92** |

**Movements in plan liabilities**

| Particulars | Year Ended March 31, 2021 | Year Ended March 31, 2020 |
|---|---|---|
| Present value of obligation as at the beginning of the year: | 24.45 | 18.26 |
| Transfer from subsidiary | - | 0.02 |
| Current service cost | 6.03 | 4.59 |
| Interest cost/(income) | 1.65 | 1.40 |
| Actuarial (gain)/loss arising from changes in financial assumptions | 0.00 | 2.51 |
| Actuarial (gain)/loss arising from changes in demographic assumptions | - | (0.02) |
| Actuarial (gain)/loss arising from experience adjustments | (0.46) | (0.98) |
| Benefit payments | (2.29) | (1.32) |
| **Total** | **29.38** | **24.45** |

**Movements in plan assets**

| Particulars | Year Ended March 31, 2021 | Year Ended March 31, 2020 |
|---|---|---|
| Present value of obligation as at the beginning of the year: | 19.53 | 19.83 |
| Interest cost/(income) | 1.52 | 1.73 |
| Return on plan assets excluding amounts included in net finance income/cost | (0.30) | (0.70) |
| Employer contributions | 10.18 | - |
| Benefit payments | (2.29) | (1.32) |
| **Total** | **28.64** | **19.53** |

**Statement of Profit and Loss**

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

| Particulars | Year Ended March 31, 2021 | Year Ended March 31, 2020 |
|---|---|---|
| Current service cost | 6.03 | 4.59 |
| Interest cost/ (income) | 0.14 | (0.33) |
| **Total amount recognised in Statement of Profit and Loss** | **6.16** | **4.26** |

Waaree Energies Limited

( ₹ in Millions )

**Note 43: Disclosure pursuant to Ind AS - 19 'Employee Benefit Expense' (Continued)**

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

| Particulars | Year Ended March 31, 2021 | Year Ended March 31, 2020 |
|---|---|---|
| Return on plan assets excluding amounts included in net finance income/(cost) | 0.30 | 0.70 |
| Change in financial assumptions | 0.00 | 2.51 |
| Change in demographic assumptions | - | (0.02) |
| Experience gains/ (losses) | (0.46) | (0.98) |
| **Total amount recognised in Other comprehensive income** | **(0.16)** | **2.21** |

**Investment pattern for Fund as on**

| Category of Asset | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| 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% |
| **Total** | **100%** | **100%** |

**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:

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| Discount rate | 6.85% | 6.85% |
| 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) ultimate | Indian assured lives mortality (2006-08) ultimate |

**Sensitivity**

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

| Particulars | As at March 31, 2021 Increase/decrease in liability | As at March 31, 2020 Increase/decrease in liability |
|---|---|---|
| Discount rate varied by 0.5% | | |
| 0.50% | 27.09 | 22.91 |
| -0.50% | 30.24 | 25.94 |
| Salary growth rate varied by 0.5% | | |
| 0.50% | 29.85 | 25.61 |
| -0.50% | 27.33 | 23.18 |
| Withdrawal rate (W.R.) varied by 10% | | |
| W.R.* 110% | 28.77 | 24.46 |
| W.R.* 90% | 28.51 | 24.24 |

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.

Waaree Energies Limited

( ₹ in Millions )

**Note 43: Disclosure pursuant to Ind AS - 19 'Employee Benefit Expense' (Continued)**

The expected future cash flows as at March 31, 2021 & as at March 31, 2020 were as follows:

| Expected contribution | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| **Projected benefits payable in future years from the date of reporting** | | |
| 1st following year | 1.04 | 0.70 |
| 2nd following year | 0.97 | 0.91 |
| 3rd following year | 3.81 | 0.88 |
| 4th following year | 2.98 | 2.31 |
| 5th following year | 2.84 | 2.91 |
| Years 6 to 10 | 7.99 | 7.85 |

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

**Leave Encashment:**

| Particulars | Defined Benefit Plans | |
|---|---|---|
| | As at March 31, 2021 | As at March 31, 2020 |
| Present value of unfunded obligations | 22.54 | 18.73 |
| **Net (asset)/ liability recognised** | **22.54** | **18.73** |

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

| Particulars | Leave Encashment - Unfunded | |
|---|---|---|
| | As at March 31, 2021 | As at March 31, 2020 |
| Defined obligations at the beginning of the year | 18.73 | 24.16 |
| Transfer from subsidiary | (1.18) | 0.03 |
| Transfer in/(out) obligation | 4.34 | 8.68 |
| Current service cost | 1.19 | 1.81 |
| Interest cost | - | 1.74 |
| Actuarial loss/(gain) due to change in financial assumptions | - | 0.01 |
| Actuarial loss/(gain) due to change in demographic assumptions | (1.46) | (0.61) |
| Actuarial loss/ (gain) due to experience adjustments | 7.79 | - |
| Benefits paid | (7.33) | (17.08) |
| **Defined obligations at the end of the year** | **22.08** | **18.73** |

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

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

| Particulars | Year Ended March 31, 2021 | Year Ended March 31, 2020 |
|---|---|---|
| Current service cost | 4.34 | 8.68 |
| Past service cost and loss/(gain) on curtailments and settlement | 7.79 | - |
| Net interest cost | 1.19 | 1.81 |
| Net value of remeasurements on the obligation and plan assets | (1.46) | 1.13 |
| **Total amount recognised in Statement of Profit and Loss** | **11.86** | **11.62** |

Waaree Energies Limited

(₹ in Millions)

**Note 43: Disclosure pursuant to Ind AS - 19 'Employee Benefit Expense' (Continued)**

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

| Particulars | Year Ended March 31, 2021 | Year Ended March 31, 2020 |
|---|---|---|
| Due to change in demographic assumptions | - | 0.01 |
| Change in financial assumptions | - | 1.74 |
| Experience gains/(losses) | (1.46) | (0.61) |
| **Total amount recognised in Other Comprehensive Income** | **(1.46)** | **1.13** |

**Major Actuarial Assumptions**

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| Discount rate (%) | 6.85% | 6.85% |
| 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, 2021 & as at March 31, 2020 were as follows:

| Expected contribution | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| **Projected benefits payable in future years from the date of reporting** | | |
| 1st following year | 1.64 | 1.44 |
| 2nd following year | 1.49 | 1.47 |
| 3rd following year | 1.71 | 1.39 |
| 4th following year | 1.45 | 1.49 |
| 5th following year | 1.66 | 1.59 |
| Years 6 to 10 | 7.40 | 7.30 |

**Sensitivity**

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

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| | Increase/decrease in liability | Increase/decrease in liability |
| Discount rate varied by 0.5% | | |
| 0.50% | 20.34 | 17.25 |
| -0.50% | 22.55 | 18.92 |
| Salary growth rate varied by 0.5% | | |
| 0.50% | 22.55 | 18.92 |
| -0.50% | 20.33 | 17.24 |
| Withdrawal rate (W.R.) varied by 10% | | |
| W.R.* 110% | 21.43 | 17.91 |
| W.R.* 90% | 21.36 | 18.20 |

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, 2021 | As at March 31, 2020 |
|---|---|---|
| **Gratuity** | | |
| Current * | 0.02 | 4.82 |
| Non-current | 0.72 | 0.09 |
| | **0.74** | **4.92** |
| **Leave entitlement (including sick leave)** | | |
| Current | 1.81 | 1.76 |
| Non-current | 20.78 | 16.97 |
| | **22.59** | **18.73** |

* Positive amount denotes liability and negative amount denotes an asset

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**Note 44 : Segment Reporting**

(i)The group has determined following reporting segments based on the information reviewed by Group's Chief Operating Decision Maker ("CODM"). As per CODM, the Company is engaged in the business of "Solar Photovoltaic Modules and EPC of Solar Power Plants". Based on the business activities during the financial year, the Company has identified the following business segments :

a) Solar Photovoltaic Modules and EPC of Solar Power Plants

b) Generation of Power.

(ii)The above business segment has been identified considering (a)the nature of products and services (b) the differing risk and returns (c ) the internal organization and management structure, and (d) the internal financial reporting systems.

( Rs. in Millions )

| Particulars | Year Ended March 31, 2021 | Year Ended March 31, 2020 |
|---|---|---|
| **A. Segment Revenue** | | |
| Solar Photovoltaic Modules and EPC of Solar Power Plants | 19,465.95 | 19,933.54 |
| Generation of Power | 61.83 | 24.28 |
| **Total Revenue** | **19,527.77** | **19,957.84** |
| | | |
| **B. Segment Results** | | |
| Solar Photovoltaic Modules and EPC of Solar Power Plants | 826.35 | 921.94 |
| Generation of Power | 31.57 | (3.33) |
| Less : Unallocable expenses | 9.38 | - |
| Less : Depreciation | 285.40 | 268.09 |
| **Operating Profit** | **563.14** | **650.52** |
| Less : Finance cost | 296.59 | 326.27 |
| Add : Other income | 405.94 | 255.29 |
| **Profit before tax and exceptional items** | **672.49** | **579.54** |
| Add : Exceptional expenses | 40.56 | - |
| Share of profit/(loss) of Associate | - | (0.02) |
| **Profit before tax** | **713.05** | **579.51** |
| Less : Tax expense (net) | 237.85 | 161.42 |
| **Profit after tax** | **475.20** | **418.09** |

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| **C. Segments Assets** | | |
| Solar Photovoltaic Modules and EPC of Solar Power Plants | 11,065.48 | 8,320.16 |
| Generation of Power | 1,727.86 | 1,062.21 |
| Unallocated Assets | 17.25 | - |
| **Total** | **12,810.59** | **9,382.37** |
| | | |
| **D. Segments Liabilities** | | |
| Solar Photovoltaic Modules and EPC of Solar Power Plants | 7,627.59 | 5,753.54 |
| Generation of Power | 1,322.97 | 223.86 |
| Unallocated Liabilities | 7.08 | |
| **Total** | **8,957.64** | **5,977.40** |

(iii) 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

Waaree Energies Limited.

MUMBAI

(Rs. in Millions)

**Note 45 : 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 (Upto January 5, 2021) | Non Executive Director |
| Mr. Modesto Volpe | Non Executive Director |
| Mr. Jayesh Shah | Independent Director |
| Mr. Sujit Kumar Varma (from February 25, 2021) | Additional Director |
| Mr. Rajender Malla (from January 16, 2019) | Additional Director |
| 2020 to June 29,2021) | Chief Financial Officer |
| Mr. Kiran Jain | Company Secretary |

**ii) Relative of Directors**

Mr. Chimanlal Doshi

Ms. Rasila Doshi

Mr. Ankit H. Doshi

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

Mahavir Thermoequip

Waaree Renewables Private Limited

Waaree Technologies Limited

Omntec Waaree ATG Private Limited

Sattva Investment Advisors Private Limited

Greentech Power Private Limited

Waaree Solar Thermal LLP

Waaree PV Power LLP (Formerly Sunmount Engineering LLP)

Waa Mall LLP

Sterling & Wilson-Waaree Pvt Ltd

Jain Education and Empowerment Trust (JEET)

Shri Chimanlal Tribhuvandas Doshi Charitable Trust

Waaree Energies Limited

(Rs. in Millions)

b. Transactions with Related Parties :

| Name of Party | Nature of Transaction | Year Ended March 31, 2021 | Year Ended March 31, 2020 |
|---|---|---|---|
| Mr. Hitesh Doshi | Remuneration | 20.03 | 20.14 |
| Mr.Viren Doshi | Remuneration | 12.98 | 13.09 |
| Mr. Hitesh Mehta | Remuneration | 20.28 | 17.89 |
| Mr. Jayesh Shah | Director's sitting fees | 0.35 | 0.25 |
| Mr. Samir Shah | Director's sitting fees | 0.25 | 0.25 |
| Mr. Rajender Malla | Director's sitting fees | 0.35 | 0.30 |
| Mr. Kiran Jain | Salary | 1.52 | 1.38 |
| Mr. Abhishek Pareek | Salary | 2.19 | - |
| Mr. Chimanlal Doshi | Rent paid | 13.20 | 13.20 |
| Ms. Rasila Doshi | Rent paid | 6.60 | 6.60 |
| Mr. Ankit Doshi | Salary | 1.18 | 1.20 |
| Waaree Technologies Limited | Sales Return | - | 7.54 |
| | Loan Granted | 1.00 | - |
| | Loan Received back | 1.00 | - |
| | Interest Income | 0.06 | - |
| Waaree ESS Private Limited | Sales | 40.88 | - |
| | Capital Sales | 49.19 | - |
| Waa Motors And Pumps Private Limited | Sales | 2.16 | - |
| Waaree Renewables Private Limited | Slump Purchase | 20.93 | - |
| | Loan Received back | - | 87.73 |
| | Rent paid | 2.44 | - |
| | Capital Purchases | - | 12.08 |
| | Purchases | 2,172.53 | 1,202.02 |
| | Job work charges | 18.03 | 37.21 |
| | Capital Advance given | 669.39 | - |
| | Sales | 2,210.45 | 600.72 |
| Omntec Waaree ATG Private Limited | Purchases | 178.77 | 6.79 |
| Waaree Solar Thermal LLP | Purchases | 0.88 | - |
| | Expenses | - | 0.13 |
| Waaree PV Power LLP | Loan Granted | 30.70 | 84.03 |
| | Loan Received back | 125.58 | 80.78 |
| | Loan Taken | - | 13.15 |
| | Interest Income | 9.78 | 9.38 |
| | Interest Paid | - | 0.21 |
| | Capital Purchases | 0.09 | - |
| | Purchases | 10.67 | - |
| | Sales | 225.62 | 87.88 |
| Waaree Surya Power LLP | Purchases | 35.79 | - |
| | Sales | 0.01 | - |
| Greentech Power Private Limited | Sales | - | 12.14 |
| | Sundry Balance written back | - | 0.00 |
| Waa Mall LLP | Purchases | - | 1.18 |
| | Sales | - | 0.59 |
| | Loan taken | - | 0.67 |
| | Loan Repaid | - | 13.00 |
| | Interest paid | - | 1.19 |
| Jain Education and Empowerment Trust (JEET) | Corporate Social Responsibility Expense | 6.22 | 0.41 |

(Rs. in Millions)

**c. Balance Outstanding of Related Parties :**

| Name of Party | Receivable / Payable | As at March 31, 2020 | As at March 31, 2020 |
|---|---|---|---|
| Mr. Hitesh Doshi | Salary and Reimbursements Payable | 0.53 | 6.98 |
| Mr. Viren Doshi | Salary and Reimbursements Payable | 2.19 | 4.55 |
| Mr. Hitesh Mehta | Salary and Reimbursements Payable | 0.87 | 0.00 |
| Mr. Kiran Jain | Salary and Reimbursements Payable | 0.10 | 0.10 |
| Mr. Abhishek Pareek | Salary and Reimbursements Payable | 0.25 | - |
| Mr. Chimanlal Doshi | Security Deposits | 13.00 | 13.00 |
| | Trade Payables | 2.37 | 1.36 |
| Ms. Rasila Doshi | Security Deposits | 6.00 | 6.00 |
| | Trade Payables | 0.78 | 0.45 |
| Mr. Ankit Doshi | Salary and Reimbursements Payable | 0.09 | 0.10 |
| Waa Cables Private Limited | Investment | - | 2.38 |
| | Trade Payables | 0.05 | - |
| | Loan Receivables | - | 7.06 |
| | Other Receivables | 0.28 | - |
| Waaree Technologies Limited | Other Receivables | 0.06 | - |
| | Advances from customers | - | 24.61 |
| Shalibhadra Energies Private Limited | Trade Payables | 0.81 | 0.81 |
| Mahavir Thermoequip | Trade Payables | - | 0.23 |
| Waaree Renewables Private Limited | Trade Receivables | - | 494.79 |
| | Capital Advance | 669.39 | - |
| | Financial liability payable | 24.96 | - |
| | Investment in Convertible preference share | 720.00 | 720.00 |
| | Trade Payables | 2.25 | - |
| | Loan Receivables | 437.29 | 408.84 |
| Waaree ESS Private Limited | Trade Receivables | 1.15 | - |
| Waaree Solar Thermal LLP | Trade Payables | - | 0.15 |
| Waaree PV Power LLP | Loan Receivables | - | 81.54 |
| | Advances from customers | - | 0.74 |
| | Other Receivables | 9.05 | - |
| | Trade Receivables | 20.63 | - |
| Waaree Surya Power LLP | Trade Receivables | 3.98 | - |
| Waa Mall LLP | Advances from customers | - | 0.05 |
| Shri Chimanlal Tribhuvandas Doshi Charitable Trust | Trade Payables | - | 1.32 |

Waaree Energies Limited

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Notes to the Consolidated Financial Statements for the year ended March 31, 2021

( ₹ 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 and a lease liability. The cumulative effect of applying the standard, has been 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, 2021

| Particulars | Year Ended March 31, 2021 | Year Ended March 31, 2020 |
|---|---|---|
| Balance as at 1st April, 2020 | 299.63 | - |
| 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 | 229.75 | - |
| Deletion | - | - |
| Depreciation | 48.53 | 46.64 |
| **Balance as at 31st March, 2021** | **480.84** | **299.63** |

The following is the break-up of current and non-current lease liabilities as at March 31, 2021

| Particulars | As at March 31, 2020 | As at March 31, 2020 |
|---|---|---|
| Current lease liabilities | 59.33 | 40.67 |
| Non-Current lease liabilities | 443.70 | 274.01 |
| **Total** | **503.03** | **314.68** |

The following is the movement in lease liabilities during the year ended March 31, 2021

| Particulars | Year Ended March 31, 2021 | Year Ended March 31, 2020 |
|---|---|---|
| Balance as at 1st April, 2020 | 314.68 | - |
| Transition impact on adoption of Ind AS 116 | - | 351.22 |
| Addition | 230.50 | - |
| Finance cost accrued during the period | 21.74 | 23.50 |
| Deletion | (0.75) | - |
| Payment of lease liabilities | 63.14 | 60.05 |
| **Balance as at 31st March, 2021** | **503.03** | **314.68** |

The table below provides details regarding the contractual maturities of lease liabilities as at March 31, 2021 on an undiscounted basis :

| Particulars | Year Ended March 31, 2021 | Year Ended March 31, 2020 |
|---|---|---|
| - Less than one year | 59.33 | 40.67 |
| - Later than one year but not later than five years | 293.60 | 182.31 |
| - Later than five years | 150.10 | 91.70 |
| | **503.03** | **314.68** |

Rental expense recorded for short-term leases for C Y was Rs 7.05 Million and for (P Y Rs. 12.58 Millions).

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( ₹ in Millions )

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

| Particulars | Year Ended March 31, 2021 | Year Ended March 31, 2020 |
|---|---|---|
| i) The amount of contract revenue recognised during the year of all contract in progress at year end | 642.69 | 1,195.69 |
| ii) The aggregate amount of cost incurred and recognised profits upto the close of the year of all contract in progress at year end | 545.39 | 972.27 |
| iii) The amount of advances received of all contract in progress at year end | - | 79.65 |
| iv) Amount due from customer of all contract in progress at year end | 55.88 | 194.35 |
| 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 42

**For Loan given:**

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

| Particulars | Year ended March 31, 2021 | | Year ended March 31, 2020 | |
|---|---|---|---|---|
| | Rate of Interest | Amount | Rate of Interest | Amount |
| Loans to others | 0 to 12% | 479.25 | 0 to 12% | 571.50 |

**Note 49 : Corporate Social Responsibility**

| Particulars | Year Ended March 31, 2021 | Year Ended March 31, 2020 |
|---|---|---|
| Gross amount required to be spend by the company during the year | 10.85 | 10.78 |
| | **10.85** | **10.78** |

**Amount spent during the year on :-**

| Particulars | In Cash | | Yet to be paid in cash | |
|---|---|---|---|---|
| | March 31, 2021 | March 31, 2020 | March 31, 2021 | March 31, 2020 |
| a) Construction / acquisition of any assets | - | 0.16 | - | - |
| b) On purpose other than (a) above | 11.04 | 13.83 | - | - |
| **Total** | **11.05** | **13.98** | - | - |

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( Rs. in Millions )

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

### A. Accounting classification and fair values

The Group 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 31st March 2021 | Non Current | Current | Total | Routed through Profit & Loss | | | | Routed through OCI | | | | Carried at Amortised Cost | Total Amount |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | Level 1 | Level 2 | Level 3 | Total | Level 1 | Level 2 | Level 3 | Total | | |
| **Financial assets** | | | | | | | | | | | | | |
| Investments | 820.00 | 334.44 | 1,154.44 | 334.44 | - | - | 334.44 | - | - | - | - | 820.00 | 1,154.44 |
| Trade receivables | 51.66 | 1,182.42 | 1,234.07 | | | | | | | | | 1,234.07 | 1,234.07 |
| Security deposits | 48.29 | - | 48.29 | - | - | - | - | - | - | - | - | 48.29 | 48.29 |
| Other financial assets | 345.00 | 248.53 | 593.53 | - | - | - | - | - | - | - | - | 593.53 | 593.53 |
| **Other Assets** | | | | | | | | | | | | | |
| Cash and cash equivalents | - | 128.20 | 128.20 | - | - | - | - | - | - | - | - | 128.20 | 128.20 |
| Bank balances other than cash and cash equivalents | - | 973.88 | 973.88 | - | - | - | - | - | - | - | - | 973.88 | 973.88 |
| Loans | - | 479.25 | 479.25 | - | - | - | - | - | - | - | - | 479.25 | 479.25 |
| | **1,264.94** | **3,346.72** | **4,611.66** | **334.44** | **-** | **-** | **334.44** | **-** | **-** | **-** | **-** | **4,277.22** | **4,611.66** |
| **Financial liabilities** | | | | | | | | | | | | | |
| Borrowings | 1,971.29 | 547.32 | 2,518.60 | - | - | - | - | - | - | - | - | 2,518.60 | 2,518.60 |
| Lease liabilities | 443.70 | 59.33 | 503.03 | - | - | - | - | - | - | - | - | 503.03 | 503.03 |
| Trade payables | - | 4,372.69 | 4,372.69 | - | - | - | - | - | - | - | - | 4,372.69 | 4,372.69 |
| Other financial liabilities | - | 464.74 | 464.74 | - | - | - | - | - | - | - | - | 464.74 | 464.74 |
| | **2,414.99** | **5,444.08** | **7,859.07** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **7,859.07** | **7,859.07** |

Waaree Energies Limited

( Rs. in Millions )

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

**A. Accounting classification and fair values**

| Financial asset and liabilities as at 31st March 2020 | Non Current | Current | Total | Routed through Profit & Loss | | | | Routed through OCI | | | | Carried at Amortised Cost | Total Amount |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | Level 1 | Level 2 | Level 3 | Total | Level 1 | Level 2 | Level 3 | Total | | |
| **Financial assets** | | | | | | | | | | | | | |
| Investments | 820.00 | 34.57 | 854.57 | 34.57 | - | - | 34.57 | - | - | - | - | 820.00 | 854.57 |
| Trade receivables | 57.89 | 1,402.41 | 1,460.30 | - | - | - | - | - | - | - | - | 1,460.30 | 1,460.30 |
| Security deposits | 32.52 | - | 32.52 | - | - | - | - | - | - | - | - | 32.52 | 32.52 |
| Other financial assets | 358.17 | 403.63 | 761.81 | - | - | - | - | - | - | - | - | 761.81 | 761.81 |
| **Other Assets** | | | | | | | | | | | | | |
| Cash and cash equivalents | - | 339.45 | 339.45 | - | - | - | - | - | - | - | - | 339.45 | 339.45 |
| Bank balances other than cash and cash equivalents | - | 447.51 | 447.51 | - | - | - | - | - | - | - | - | 447.51 | 447.51 |
| Loans | - | 571.50 | 571.50 | - | - | - | - | - | - | - | - | 571.50 | 571.50 |
| | **1,268.59** | **3,199.07** | **4,467.65** | **34.57** | **-** | **-** | **34.57** | **-** | **-** | **-** | **-** | **4,433.08** | **4,467.65** |
| **Financial liabilities** | | | | | | | | | | | | | |
| Borrowings | 713.19 | 204.42 | 917.62 | - | - | - | - | - | - | - | - | 917.62 | 917.62 |
| Trade payables | - | 2,918.09 | 2,918.09 | - | - | - | - | - | - | - | - | 2,918.09 | 2,918.09 |
| Lease liabilities | 274.01 | 40.67 | 314.68 | - | - | - | - | - | - | - | - | 314.68 | 314.68 |
| Other financial liabilities | - | 477.68 | 477.68 | - | - | - | - | - | - | - | - | 477.68 | 477.68 |
| | **987.20** | **3,640.86** | **4,628.06** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **4,628.06** | **4,628.06** |

The fair value of the financial assets and 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.

( Rs. in Millions )

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

**B. Financial Risk Management**

**B.i. Risk management framework**
The Group's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk. The Group'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 Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group'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 Group grants credit terms in the normal course of business.

The Group measures the expected credit loss of trade receivables based on historical trend, industry practices and the business environment in which the entity operates. The Group 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 Group's historical experience for customers.

**Ageing of Accounts receivables :**

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| Not Due | 66.73 | 71.47 |
| 0 - 6 months | 385.96 | 335.11 |
| 6 - 12 months | 19.05 | 268.88 |
| Beyond 12 months | 762.34 | 784.83 |
| **Total** | **1,234.08** | **1,460.30** |

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, 2021 | As at March 31, 2020 |
|---|---|---|
| Opening provision | 48.00 | 39.48 |
| Add : Additional provision made | 17.27 | 8.52 |
| Less : Provision reversed | - | - |
| **Closing provisions** | **65.28** | **48.00** |

**(b) Cash and cash equivalents and Other Bank Balances**
The Group held cash and cash equivalents and other bank balances of Rs. 128.20 million at 31st March 2021 (31st March 2020: Rs. 339.45 million). The cash and cash equivalents are held with bank with good credit ratings and financial institution counterparties with good market standing.

( Rs. in Millions )

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

**B.iii. Liquidity risk**

Liquidity risk is the risk that the Group 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 Group through effective fund management of the Group's short, medium and long-term funding and liquidity management requirements. The Group 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**

| As at March 31, 2021 | Total | On demand | Upto 6 Months | 6-12 Months | More than 12 Months |
|---|---|---|---|---|---|
| Non-Current Borrowings | 1,971.29 | - | - | - | 1,971.29 |
| Borrowings | 547.32 | 525.66 | 21.66 | - | - |
| Lease liabilities | 503.03 | - | 30.53 | 28.80 | 443.70 |
| Trade payables | 4,372.69 | - | 4,372.69 | - | - |
| Other current financial liabilities | 464.24 | - | 154.47 | 309.77 | - |

| As at March 31, 2020 | Total | On demand | Upto 6 Months | 6-12 Months | More than 12 Months |
|---|---|---|---|---|---|
| Non-Current Borrowings | 713.19 | - | - | - | 713.19 |
| Borrowings | 204.42 | 204.42 | - | - | - |
| Lease liabilities | 314.68 | - | 20.33 | 20.33 | 274.01 |
| Trade payables | 2,918.09 | - | 2,918.09 | - | 0.00 |
| Other current financial liabilities | 477.68 | - | 350.42 | 127.25 | - |

**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.

( Rs. in Millions )

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

**B.iv.a Currency risk**

The Group is exposed to currency risk on account of its operating and financing activities. The functional currency of the Group is Indian Rupee. Our exposure are mainly denominated in U.S. dollars and European dollars. The Group'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 Group 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, 2021 and March 31, 2020 are as below:

| As at March 31, 2021 | Rs. in Millions | EURO | Rs. in Millions | USD | Rs. in Millions | RMB |
|---|---|---|---|---|---|---|
| **Financial assets** | | | | | | |
| Trade receivables | - | - | 149.31 | 2.04 | - | - |
| Cash and cash equivalents | 0.00 | 0.00 | 0.01 | 0.00 | - | - |
| **Net exposure for assets** | **0.00** | **0.00** | **149.32** | **2.04** | **-** | **-** |
| **Financial liabilities** | | | | | | |
| Trade Payables | - | - | 1,762.07 | 24.12 | - | - |
| **Net exposure for liabilities** | **-** | **-** | **1,762.07** | **24.12** | **-** | **-** |
| **Net exposure (Assets - Liabilities)** | **0.00** | **0.00** | **(1,612.75)** | **(22.08)** | **-** | **-** |

| As at March 31, 2020 | Rs. in Millions | EURO | Rs. in Millions | USD | Rs. in Millions | RMB |
|---|---|---|---|---|---|---|
| **Financial assets** | | | | | | |
| Trade receivables | - | - | 12.92 | 0.17 | - | - |
| Cash and cash equivalents | 0.00 | 0.00 | 51.26 | 0.68 | - | - |
| **Net exposure for assets** | **0.00** | **0.00** | **64.17** | **0.85** | **-** | **-** |
| **Financial liabilities** | | | | | | |
| Short Term Borrowings | | | | | | |
| Trade Payables | 2.47 | 0.03 | 1,948.58 | 25.85 | 9.60 | 0.90 |
| Other current liabilities | | | | | | |
| **Net exposure for liabilities** | **2.47** | **0.03** | **1,948.57** | **25.84** | **9.60** | **0.90** |
| **Net exposure (Assets - Liabilities)** | **(2.47)** | **(0.03)** | **(1,884.40)** | **(24.99)** | **(9.60)** | **(0.90)** |

**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 Group's income statement over the remaining life of the related fixed assets or the remaining tenure of the borrowing respectively.

| **Impact of movement on Profit or (loss) and Equity :** Effect in INR (before tax) | Profit or (loss) and Equity Strengthening | Profit or (loss) and Equity Weakening |
|---|---|---|
| **For the year ended March 31, 2021** | | |
| **1% movement** | | |
| USD | 16.13 | (16.13) |
| EUR | (0.00) | 0.00 |
| RMB | - | - |
| | **16.13** | **(16.13)** |

Waaree Energies Limited

( Rs. in Millions )

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

| Effect in INR (before tax) | Profit or (loss) and Equity Strengthening | Weakening |
|---|---|---|
| **For the year ended March 31, 2020** | | |
| **1% movement** | | |
| USD | 18.84 | (18.84) |
| EUR | 0.02 | (0.02) |
| RMB | 0.10 | (0.10) |
| | **18.96** | **(18.96)** |

**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. This derivative financial instruments are valued based on quoted prices for similar assets and liabilities in active markets or inputs thar 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, 2021 | | As at March 31, 2020 | |
|---|---|---|---|---|---|
| | | USD | ₹ in Millions | USD | ₹ in Millions |
| Forward contracts through Banks | Import | 2.72 | 198.40 | 11.14 | 839.80 |
| | Export | 4.31 | 314.81 | | |
| Option Contracts through Exchange | Import | 3.50 | 255.64 | 6.00 | 452.32 |
| | Export | 3.00 | 219.12 | | |
| | | **13.53** | **987.98** | **17.14** | **1,292.11** |

Waaree Energies Limited.

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

**Exposure to interest rate risk**

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

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| Total Borrowings | 1,680.86 | 605.60 |
| **Total of Variable Rate Financial Liabilities** | **1,680.86** | **605.60** |

**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) | Profit or loss | |
|---|---|---|
| INR | 50 bp increase | 50 bp decrease |
| **March 31, 2021** | | |
| Variable-rate loan instruments | (8.40) | 8.40 |
| **Cash flow sensitivity (net)** | **(8.40)** | **8.40** |
| **March 31, 2020** | | |
| Variable-rate loan instruments | (3.03) | 3.03 |
| **Cash flow sensitivity (net)** | **(3.03)** | **3.03** |

### B.iv.c Other price risk

The Group 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 Group 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 Group 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 Group may adjust the amount of dividends paid to shareholders, return capital to shareholders or issue new shares.

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| Total debts | 2,905.69 | 1,275.01 |
| Total equity | 3,852.92 | 3,405.01 |
| **Total debts to equity ratio (Gearing ratio)** | **0.75** | **0.37** |

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.

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MUMBAI

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Notes to the Consolidated Financial Statements for the year ended March 31, 2021

( Rs. in Millions )

**Note 52 : Additional Information, as required under Schedule III to the Companies Act, 2013, of enterprises consolidated as Subsidiary**

| Name of the Enterprise | Net Assets i.e. total assets minus total liabilities | | Share in Profit & Loss | | Share in other comprehensive income | | Share in total comprehensive income | |
|---|---|---|---|---|---|---|---|---|
| | As % of consolidated net assets | (Rs. in Millions) | As % of consolidated profit & loss | (Rs. in Millions) | As % of consolidated profit & loss | (Rs. in Millions) | As % of consolidated profit & loss | (Rs. in Millions) |
| **For the year ended March 31,2021** | | | | | | | | |
| **Parent** | | | | | | | | |
| Waaree Energy Limited | 54.30% | 2,091.99 | 92.49% | 448.64 | 91.18% | 1.07 | 92.48% | 449.70 |
| | | | | | | | | |
| **Subsidiaries** | | | | | | | | |
| **Indian** | | | | | | | | |
| Blue Rays Solar Private Limited | 10.89% | 419.71 | 6.27% | 30.39 | 0.00% | - | 6.25% | 30.39 |
| Waa Cables Private Limited (Upto 17th December 2020) | 0.00% | - | 1.85% | 8.97 | 0.00% | - | 1.84% | 8.97 |
| Saswata Solar Private Limited | 19.13% | 737.13 | 0.00% | (0.02) | 0.00% | - | 0.00% | (0.02) |
| Waaneep Solar One Private Limited | 0.00% | (0.02) | -0.01% | (0.03) | 0.00% | - | -0.01% | (0.03) |
| Sangam Renewables Limited | 5.34% | 205.63 | -2.61% | (12.65) | 0.00% | 0.19 | -2.56% | (12.46) |
| Sangam Solar One Private Limited | 0.00% | 0.10 | 0.00% | (0.00) | 0.00% | - | 0.00% | (0.00) |
| Sangam Solar Two Private Limited | 0.00% | 0.09 | 0.00% | - | 0.00% | - | 0.00% | - |
| Sangam Solar Three Private Limited | 0.00% | 0.08 | 0.00% | (0.02) | 0.00% | - | 0.00% | (0.02) |
| Sangam Solar Four Private Limited | 0.00% | 0.09 | 0.00% | (0.01) | 0.00% | - | 0.00% | (0.01) |
| Waaree Power Private Limited | -0.09% | (3.62) | -0.02% | (0.08) | 0.00% | - | -0.02% | (0.08) |
| **Foreign** | | | | | | | | |
| Rasila International Pte Limited | 0.00% | 0.00 | 0.00% | - | 0.00% | - | 0.00% | - |
| | | | | | | | | |
| **Net Total** | | **3,451.18** | | **475.19** | | **1.25** | | **476.45** |
| **Minority Interest in all subsidiaries** | 10.43% | 401.72 | 2.04% | 9.89 | 0.00% | (0.09) | 2.02% | 9.80 |
| **Total** | **100.00%** | **3,852.90** | **100.00%** | **485.08** | **91.18%** | **1.17** | **100.00%** | **486.25** |

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| **For the year ended March 31,2020** | | | | | | | | |
| **Parent** | | | | | | | | |
| Waaree Energy Limited | 46.56% | 1,585.53 | 106.53% | 474.29 | 100% | (3.86) | 106.59% | 470.43 |
| | | | | | | | | |
| **Subsidiaries** | | | | | | | | |
| **Indian** | | | | | | | | |
| Blue Rays Solar Private Limited | 11.48% | 390.99 | -0.01% | (0.03) | 0.00% | - | -0.01% | (0.03) |
| Waaree Solar Energy Private Limited | -0.28% | (9.69) | -0.46% | (2.04) | 0.00% | - | -0.46% | (2.04) |
| Saswata Solar LLP | 21.68% | 738.19 | 0.00% | 0.00 | 0.00% | - | 0.00% | (0.01) |
| Waaneep Solar One Pvt. Ltd. | 0.00% | 0.01 | -0.01% | (0.05) | 0.00% | - | -0.01% | (0.05) |
| Sangam Renewables Limited | 8.42% | 286.83 | -12.17% | (54.16) | 0.00% | - | -12.27% | (54.16) |
| Sangam Solar One Private Limited | 0.00% | 0.10 | 0.00% | - | 0.00% | - | 0.00% | - |
| Sangam Solar Two Private Limited | 0.00% | 0.10 | 0.00% | - | 0.00% | - | 0.00% | - |
| Sangam Solar Three Private Limited | 0.00% | 0.10 | 0.00% | - | 0.00% | - | 0.00% | - |
| Sangam Solar Four Private Limited | 0.00% | 0.10 | 0.00% | - | 0.00% | - | 0.00% | - |
| Waaree Power Private Limited | -0.10% | (3.52) | -1.09% | (4.86) | 0.00% | - | -1.10% | (4.86) |
| | | | | | | | | |
| **Foreign** | | | | | | | | |
| Rasila International Pte Limited | 0.00% | 0.00 | 1.11% | 4.96 | 0.00% | - | 1.12% | 4.96 |
| | | | | | | | | |
| **Net Total** | | **2,988.75** | | **418.10** | | **(3.86)** | | **414.24** |
| **Minority Interest in all subsidiaries** | 12.23% | 416.27 | 6.09% | 27.12 | 0.00% | - | 6.14% | 27.12 |
| **Total** | **100.00%** | **3,405.01** | **100.00%** | **445.22** | **100.00%** | **(3.86)** | **100.00%** | **441.36** |

WAAREE ENERGIES LIMITED

Notes to the Consolidated Financial Statements for the year ended March 31, 2021

**Note 53 : The list of subsidiaries and associates in the consolidated financial statements are as under :**

| Name of the Enterprise | Country of Incorporation | Proportion of Ownership Interest | |
|---|---|---|---|
| | | Year Ended March 31, 2021 | Year Ended March 31, 2020 |
| **Subsidiaries** | | | |
| Blue Rays Solar Private Limited | India | 100.00% | 100.00% |
| Waa Cables Private Limited (Upto 17th December 2020) | India | 0.00% | 100.00% |
| Rasila International Pte Limited | Singapore | 99.99% | 99.99% |
| Saswata Solar Private Limited | India | 99.99% | 99.99% |
| Waaneep Solar One Private Limited | India | 100.00% | 100.00% |
| Sangam Renewables Limited (from 14th May, 19) | India | 54.28% | 52.26% |
| Waaree Power Private Limited (from 3rd January, 2020) | India | 74.00% | 74.00% |
| Sangam Solar One Private Limited (from 14th February, 2020) | India | 100.00% | 100.00% |
| Sangam Solar Two Private Limited (from 14th February, 2020) | India | 100.00% | 100.00% |
| Sangam Solar Three Private Limited (from 14th February, 2020) | India | 100.00% | 100.00% |
| Sangam Solar Four Private Limited (from 14th February, 2020) | India | 100.00% | 100.00% |
| **Step down Subsidiaries through Sangam Renewables Limited** | | | |
| Sangam Rooftop Private Limited (from 14th May, 19) | India | 100.00% | 100.00% |
| Waasang Solar Private Limited (from 14th May, 19) | India | 100.00% | 100.00% |
| Waasang Solar One Private Limited (from 14th May, 19) | India | 100.00% | 100.00% |
| Waacox Private Limited (from 14th May, 19) | India | 51.00% | 51.00% |
| Waaree PV Technologies Private Limited (from 14th May, 19) | India | 100.00% | 100.00% |
| **Associate** | | | |
| Shalibhadra Energies Private Limited | India | 25.00% | 25.00% |

**Note*:**

During the year for corporatisation of Saswata Solar LLP the capital has been reduced from 738.50 Mn to 0.10 Mn by converting the same to loan bearing interest @ 8 % p.a. Subsequently on April 16th 2021, Saswata Solar LLP has been converted to Saswata Solar Private Limited.

**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. 044739**

Place: Mumbai
Date: 23rd July 2021

**For and on behalf of the Board**

**Chairman & Managing Director**
**(DIN 00293668)**

**Director & CFO**
**(DIN 00207506)**

**Company Secretary**
Place: Mumbai
Date: 23rd July 2021