

**INDEPENDENT AUDITORS ' REPORT**

To,  
The members of,  
Dhursar Solar Power Private Limited.

**Opinion**

1. We have audited the accompanying Ind AS financial statements of **Dhursar Solar Power Private Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2020, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the financial statements").
2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, its loss and including other comprehensive income, changes in equity and its cash flows for the year ended on that date.

**Basis for Opinion**

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

**Key Audit Matters**

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

Sr No.	Key Audit Matter	How the matter was addressed
1	<p><b>Trade Receivables being written Off :</b> During the year 2019 -20, the Company has written off trade receivables to the tune of <b>Rs. 4,924 lakhs</b> {Previous year 2018-19 Rs 3,943 lakhs} Total Rs. 8,867 lakhs from Reliance Infrastructure Ltd with whom it has EPA agreement.</p> <p>Considering the significance of the amount it is necessary to highlight the matter to the stakeholders of the company.</p> <p>The Company continues to raise the invoice to Reliance Infrastructure Ltd the procurer as per the Energy Purchase Agreement and the outstanding including the amount written Off plus the dues from the invoices raised on Adani Electricity Mumbai Ltd (AEML) has been confirmed by the procurer Reliance Infrastructure Ltd (Rinfra) as due to the company.</p>	<p>Our audit procedure involved checking the approval from the management.</p> <p>The Board has approved the write-off of this amount while approving the financials for the year 2019-20 with a right to recover claim remains</p> <ul style="list-style-type: none"> <li>• Obtained independent confirmation of balances outstanding of <b>Rs 16,096 lakhs</b> (Previous year Rs 11,809 lakhs) from Reliance Infrastructure Ltd (Rinfra) the debtor. Refer note 21 of the Financial statements</li> <li>• Reliance Infrastructure Ltd (Rinfra) has confirmed to the management that they will continue to pay the dues of Adani Electricity Mumbai Ltd (AEML) till the matter is resolved.</li> </ul>
2.	<p>We have evaluated the cash flows , P&amp;L and financials of the company from future obligations perspective and while evaluating the same we have found that amount to the tune of <b>Rs.16,096 lakhs</b> out of which <b>Rs 8,867 lakhs</b> has been provided for receivable from one of our Group Companies Reliance Infra Ltd.(Rinfra)</p>	<p>In evaluating we:</p> <ul style="list-style-type: none"> <li>• have evaluated the assumptions and judgments made with respect to the future cash flows in order to assess the Company's ability to meet its current and future payment obligations.</li> <li>• verified the assumptions used to calculate the future cash flows and the viability of the plant.</li> </ul> <p>Further as per management as per the revised term sheet signed with Exim Bank 50% of the surplus from the sale of Unit 2 &amp;3 of Samalkot Power Ltd after meeting the Exim Bank Loan dues will be utilized to meet the payment of the lenders of the Dhursar Solar Power Pvt. Ltd . Further, the parent Company has also agreed to provide the financial support to the Company as and when required.</p>
3	<p>During the year 2018-19 Investment amounting to Rs. 4,233 lakhs was sold to the holding company Reliance Power</p>	<p>Our audit procedure involved checking the approval from the management.</p> <p>We have verified the sale agreement &amp; minutes</p>

	Ltd.(RPL).The consideration is shown under "other Current Assets" Note 3.7	of the meeting approving the sale by the Board in 2018-19.
4.	Long term project loans and interest due there on from a) Asian Development Bank of USD 5,671,925 and b) US Exim Bank USD 7,406,571 Total USD 13,078,497 Equivalent INR 985,934,251 (refer Note 3.10) outstanding due to liquidity crunch	Refer to Note 22 of the Financial statements where in management has confirmed instalment and interest overdue as on 25 <sup>th</sup> March 2019, 25 <sup>th</sup> September 2019 & 25 <sup>th</sup> March 2020. We have obtained confirmations from The banks for the outstanding due as on 31 <sup>st</sup> March 2020 including penalty interest as per the loan agreements.
5	Diminution in value of Investment in Siyom Hydro Power Pvt Ltd of Rs. 677 lakhs from the value of Rs. 680 lakhs.	Investment valuation is taken at fair value based on expert report. Accordingly investment has been reduced to Rs. 3 lakhs as per present valuation. Refer Note No 3.2(a)

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

- The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the financial statements and our auditor's report thereon.
- Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.
- In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the 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.

#### Management's Responsibility for the Financial Statements

- The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the

assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

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

11. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
12. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
- a) Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
  - b) Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
  - c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- d) Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- e) Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- f) We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
- g) 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.
- h) From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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

13. As required by Section 143(3) of the Act, based on our audit we report that:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

- c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account.
- d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e) On the basis of the written representations received from the directors as on March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in 'Annexure A' to this report a statement on the matters specified in paragraphs 3 and 4 of the Order.

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 read with schedule V to the act.

- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements.
  - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended March 31, 2020.

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***Chartered Accountants***

With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B" report. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

**For Shridhar & Associates**  
Chartered Accountants  
(Firm's Registration No.134427W)

**Jitendra Sawjiyani**  
Partner  
(Membership No.050980)  
Place: Mumbai,  
Date: May 01, 2020  
UDIN: 20050980AAAAAK64

**ANNEXURE 'A' TO THE INDEPENDENT AUDITOR'S REPORT**

Referred to in point 13(f) of the Independent Auditors' Report of even date to the members of **Dhursar Solar Power Private Limited** on the Ind AS financial statements as of and for the year ended March 31, 2020

- i. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The fixed assets of the Company have been physically verified by the Management during the year and no material discrepancies have been noticed on such verification. In our opinion, the frequency of verification is reasonable.
- (c) The title deeds of immovable properties, as disclosed in Note 3.1 on Property, plant and Equipment to the financial statements, are held in the name of the Company.
- ii. The physical verification of inventory have been conducted at reasonable intervals by the Management during the year. The discrepancies noticed on physical verification of inventory as compared to book records were not material.
- iii. The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Act. Therefore, the provisions of Clause 3(iii), (iii)(a), (iii)(b) and (iii)(c) of the said Order are not applicable to the Company and hence not commented upon
- iv. The Company has not granted any loans or made any investments, or provided any guarantees or security to the parties covered under Section 185 and 186. Therefore, the provisions of Clause 3(iv) of the said Order are not applicable to the Company
- v. The Company has not accepted any deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the Rules framed there under to the extent notified.



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vi. Pursuant to the rules made by the Central Government of India, the Company is required to maintain cost records as specified under Section 148(1) of the Act in respect of its products. We have broadly reviewed the same, and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.

vii. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing undisputed statutory dues in respect of provident fund, professional tax, service tax, goods and service tax, income tax and other material statutory dues, as applicable, with the appropriate authorities.

(b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of income-tax, sales-tax, service-tax, duty of customs, and duty of excise or value added tax or goods and service tax which have not been deposited on account of any dispute.

Name of the statute	Nature of the dues	Amount (Rs. Crore)	Period to which the amount relates	Due Date	Date of Payment
		NIL			

(c) According to the information and explanations given to us and the records of the Company examined by us, the particulars of dues of income-tax, sales-tax, works contract tax, service-tax, duty of customs, duty of excise and value added tax as at March 31, 2020 which have not been deposited on account of a dispute are as follows:

Name of the statute	Nature of dues	Amount (Rs. Crore)	Period to which the amount relates	Forum where the dispute is pending
Income Tax Act	Income Tax	2.08	F.Y.2017-18 (A.Y.2018-19)	Rectification u/s.154 is filed online and to AO. But, demand is not yet made nil.

viii. According to the records of the Company examined by us and the information and explanation given to us, the Company has defaulted in repayment of loans of

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borrowings to the following financial institution or bank or Government as at the balance sheet date.

Refer note 22 to the financial statements

Name of Bank	Account Number	Amount USD Principal	Amount USD Interest	Amount in INR lakhs	Due date
Export Import Bank Of United States	07-086226-XX-AA01 & 07-086226-XX-AA02	1940215 1940215 <u>1940215</u> <u>5820646</u>	589951 620754 <u>636275</u> 1846980 <u>(261055)(PP)</u> <u>1585925</u>	5584	25 <sup>th</sup> March 2019 25 <sup>th</sup> September 2019 25 <sup>th</sup> March 2020
Asian Development Bank	Loan No 2798-IND(PS)	1273008 1273008 <u>1273008</u> <u>3819024</u>	652972 710698 <u>657707</u> 2021376 <u>(168475)(PP)</u> <u>1852901</u>	4275	25 <sup>th</sup> March 2019 25 <sup>th</sup> September 2019 25 <sup>th</sup> March 2020
<b>Total overdue</b>		<b>9639670</b>	<b>3438827</b>	<b>9859</b>	

Note: Partial Payment (PP)

- ix. In our opinion, and according to the information and explanations given to us, the Company has not raised any moneys by way of initial public offer, further public offer including debt instruments.
- x. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the Management.
- xi. The provisions of Section 197 read with Schedule V to the Act are applicable only to public companies. Accordingly, the provisions of Clause 3(xi) of the Order are not applicable to the Company.
- xii. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the provisions of Clause 3(xii) of the Order are not applicable to the Company and hence not commented upon.

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**xiii.** The Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act. The details of such related party transactions have been disclosed in the financial statements as required under Indian Accounting Standard (Ind AS) 24, Related Party Disclosures specified under Section 133 of the Act.

**xiv.** The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of Clause 3(xiv) of the Order are not applicable to the Company and hence not commented upon.

**xv.** According to the information and explanation given by the companies management the Company has not entered into any noncash transactions with its directors or persons connected with him as referred to in Section 152 of the act. Accordingly, the provisions of Clause 3(xv) of the Order are not applicable to the Company and hence not commented upon.

**xvi.** The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of Clause 3(xvi) of the Order are not applicable to the Company.

**For Shridhar & Associates**  
Chartered Accountants  
(Firm Registration No.134427W)

**Jitendra Sawjany**  
Partner  
(Membership No.050980)  
Place: Mumbai,  
Date: May 01, 2020  
UDIN: 20050980AAAAAK6487

**ANNEXURE 'B' TO THE INDEPENDENT AUDITOR'S REPORT**

Referred to in paragraph 13(g) of the Independent Auditor's Report of even date to the members of **DHURSAR SOLAR POWER PRIVATE LIMITED** on the financial statements for the year ended March 31, 2020

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

1. We have audited the internal financial controls over financial reporting of **Dhursar Solar Power Private Limited** ("the Company") as of March 31, 2020 in conjunction with our audit of the Ind AS financial statements (hereinafter referred to as the "financial statements") of the Company for the year ended on that date.

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

2. The Board of Directors of the Company is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the act.

**Auditor's Responsibility**

3. Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the

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### ***Chartered Accountants***

Guidance e 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.

4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting with reference to these financial statements.

#### **Meaning of Internal Financial Controls Over Financial Reporting with reference to these financial statements.**

6. A company's internal financial control 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 control 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 with reference to these financial statements.**

7. 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**

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

**For Shridhar & Associates**  
Chartered Accountants  
(Firm's Registration No. 134427W)

**Jitenndra Sawjany**  
Partner  
(Membership No.-050980)  
Place: Mumbai,  
Date: May 01, 2020  
UDIN: 20050980AAAAAK6487

**Dhursar Solar Power Private Limited**  
**Balance Sheet as at March 31, 2020**

Particulars	Note No.	Rupees In lakhs	
		As at March 31, 2020	As at March 31, 2019
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	3.1	41,423	42,430
Investments	3.2(a)	3	278
Loans	3.2(b)	1	1
Other financial assets	3.2(c)	-	680
Other non-current assets	3.3	2,034	2,034
<b>Current assets</b>			
Inventories	3.4	79	106
<b>Financial assets</b>			
Trade receivables	3.5(a)	10,301	7,866
Cash and cash equivalents	3.5(b)	950	119
Bank balances other than cash and cash equivalents	3.5(c)	4,575	4,123
Loans	3.5(d)	15,684	14,499
Other financial assets	3.5(e)	323	-
Current tax assets (net)	3.6	121	300
Other current assets	3.7	4,235	4,235
<b>Total Assets</b>		<b>79,729</b>	<b>76,671</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	3.8	90	90
<b>Other equity</b>			
Instrument entirely equity in nature	3.9	89	89
Reserves and surplus		27,852	30,981
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
<b>Financial liabilities</b>			
Borrowings	3.10	36,063	-
Provisions	3.11	22	16
<b>Current liabilities</b>			
<b>Financial liabilities</b>			
Trade payables	3.12(a)		
Total Outstanding dues of micro enterprises and small enterprises		24	26
Total Outstanding dues of creditors other than micro enterprises and small enterprises		104	237
Other financial liabilities	3.12(b)	15,467	45,218
Other current liabilities	3.13	9	6
Provisions	3.14	9	8
<b>Total Equity and liabilities</b>		<b>79,729</b>	<b>76,671</b>
<b>Significant accounting policies</b>			
Notes to financial statements	2 3 to 24		

The accompanying notes are an integral part of these financial statements.

**Dhursar Solar Power Private Limited**

As per our attached report of even date

**For Shridhar & Associates**

Firm Registration No: 134427W

Chartered Accountants

**For and on behalf of the Board of Directors**

**Jitendra Sawjiyani**

Partner

Membership No.050980

**Shrikant D Kulkarni**

Director

DIN Number: 05136399

**Manoj Pongde**

Director

DIN Number: 07728913

**Place : Mumbai**

**Date : May 01, 2020**

**Place : Mumbai**

**Date : May 01, 2020**



**Dhursar Solar Power Private Limited**  
**Statement of Profit and Loss for the year ended March 31, 2020**

Particulars	Note No.	Rupees In lakhs	
		Year ended March 31, 2020	Year ended March 31, 2019
Revenue from Operations	3.15	10,208	10,229
Other Income	3.16	700	690
<b>Total Income</b>		<b>10,908</b>	<b>10,919</b>
<b>Expenses</b>			
Employee benefits expense	3.17	92	113
Finance costs	3.18	2,307	2,047
Depreciation expense	3.1	5,043	5,593
Other expenses	3.19	6,319	5,337
<b>Total expenses</b>		<b>13,761</b>	<b>13,090</b>
<b>Profit/(Loss) before exceptional items and tax</b>		<b>(2,853)</b>	<b>(2,171)</b>
Exceptional Items			
Impairment of Investment		275	-
<b>Profit/(Loss) before tax</b>		<b>(3,128)</b>	<b>(2,171)</b>
<b>Income tax expense</b>			
Current tax	10	-	-
<b>Total Tax Expenses</b>		<b>-</b>	<b>89</b>
<b>Loss for the year (A)</b>		<b>(3,128)</b>	<b>(2,260)</b>
<b>Other Comprehensive Income</b>			
<b>Items that will not be reclassified to profit or loss</b>			
Remeasurements of net defined benefit plans	6	(1)	1
<b>Other Comprehensive Income for the year (B)</b>		<b>(1)</b>	<b>1</b>
<b>Total Comprehensive Income for the year (A+B)</b>		<b>(3,129)</b>	<b>(2,259)</b>
<b>Earnings per equity share: (Face value of Rs. 10 each)</b>			
Basic	9	(346.06)	(250.00)
Diluted	9	(174.00)	(125.70)
Significant accounting policies	2		
Notes to financial statements	3 to 24		

The accompanying notes are an integral part of these financial statements

**Dhursar Solar Power Private Limited**

As per our attached report of even date

**For Shridhar & Associates**

Firm Registration No: 134427W

Chartered Accountants

**For and on behalf of the Board of Directors**

**Jitendra Sawjiyani**

Partner

Membership No.050980

**Shrikant D Kulkarni**

Director

DIN Number: 05136399

**Mahesh Pongde**

Director

DIN Number: 07728913

**Place : Mumbai**

**Date : May 01, 2020**

**Place : Mumbai**

**Date : May 01, 2020**

**Dhursar Solar Power Private Limited**  
**Cash Flow Statement for the year ended March 31, 2020**

Particulars	Rupees In lakhs	
	Year ended March 31, 2020	Year ended March 31, 2019
<b>(A) Cash Flow from/ (used in) operating activities</b>		
Profit/(Loss) before tax	(3,128)	(2,171)
Adjustments for:		
Depreciation expenses	5,043	5,593
Finance cost	2,307	1,631
Interest income	(700)	(274)
<b>Operating profit before working capital changes</b>	<b>3,522</b>	<b>4,779</b>
Adjusted for:		
Increase/ (decrease) in trade payables	(134)	34
Increase/ (decrease) in other current financial liabilities	371	355
Increase/ (decrease) in other liabilities and provisions	8	(38)
(Increase)/ decrease in trade receivables	(2,435)	(144)
(Increase)/ decrease in loans and advances	55	(4,233)
(Increase)/ decrease in Inventories	27	(94)
Increase/ (decrease) in other non current assets (excluding capital advance)	-	1,558
	<b>1,414</b>	<b>2,217</b>
Taxes (paid) / refund (net)	179	(447)
<b>Net cash from Operating Activities</b>	<b>1,593</b>	<b>1,770</b>
<b>(B) Cash Flow from/ (used in) investing activities</b>		
Sale / (Purchase) of long term investment	275	4,233
Interest received from deposits	213	(3,099)
Inter corporate deposits refunded	(1,564)	(2,753)
<b>Net cash flow used in Investing Activities</b>	<b>(1,076)</b>	<b>(1,619)</b>
<b>(C) Cash Flow from/ (used in) financing activities</b>		
Repayment of long term borrowings	-	(2,335)
Unwinding of Derivative instrument	670	-
Interest and finance charges paid	(357)	(990)
<b>Net cash used in financing Activities</b>	<b>313</b>	<b>(3,325)</b>
<b>Net decrease in cash and cash equivalents (A+B+C)</b>	<b>831</b>	<b>(3,174)</b>
Cash and cash equivalents at the beginning of the year:		
Bank balance - current account	119	203
Bank balance - fixed deposit account*	-	3,090
Cash and cash equivalents at the end of the year:		
Bank balance - current account	950	119
Other Bank Balances - fixed deposit account	-	-

\*including interest of Fixed deposits classified as cash and cash equivalents

The statement of cash flow has been prepared under the 'Indirect Method' set out in Indian Accounting Standards (Ind AS) - 7 "Statement of Cash Flows".

The accompanying notes are an integral part of these financials statements.

**Dhursar Solar Power Private Limited**

As per our attached report of even date

**For Shridhar & Associates**  
Firm Registration No: 134427W  
Chartered Accountants

**For and on behalf of the Board of Directors**

**Jitendra Sawjany**  
Partner  
Membership No.050980

**Shrikant D Kulkarni**  
Director  
DIN Number: 05136399

**Manoj Pongde**  
Director  
DIN Number: 07728913

**Place : Mumbai**  
Date : May 01, 2020

**Place : Mumbai**  
Date : May 01, 2020

**Dhursar Solar Power Private Limited**  
**Statement of changes in equity for the year ended March 31, 2020**

**A. Equity Share Capital (refer note 3.8)**

	Rupees in lakhs
Balance as at March 31, 2018	90
Changes in equity share capital	-
Balance as at March 31, 2019	90
Changes in equity share capital	-
Balance as at March 31, 2020	90

**B. Other Equity**

	Refer Note no.	Other reserves	Instrument entirely equity in nature	Reserves and surplus		Total
				Securities Premium Account	Retained Earnings	
Balance as at March 31, 2018	3.9	4,912	89	17,701	10,627	33,329
Profit/(loss) for the year		-	-	-	(2,260)	(2,260)
Other Comprehensive Income for the year		-	-	-	1	1
Total Comprehensive Income for the year		-	-	-	(2,259)	(2,259)
Balance as at March 31, 2019	3.9	4,912	89	17,701	8,368	31,070
Profit/(loss) for the year		-	-	-	(3,128)	(3,128)
Other Comprehensive Income for the year		-	-	-	(1)	(1)
Total Comprehensive Income for the year		-	-	-	(3,129)	(3,129)
Balance as at March 31, 2020	3.9	4,912	89	17,701	5,239	27,941

The accompanying notes are an integral part of these financial statements.

**Dhursar Solar Power Private Limited**

As per our attached report of even date

**For Shridhar & Associates**

Firm Registration No: 134427W

Chartered Accountants

**For and on behalf of the Board of Directors**

**Jitendra Sawjani**

Partner

Membership No.050980

**Shrikant D Kulkarni**

Director

DIN Number: 05136399

**Manoj Pongde**

Director

DIN Number: 07728913

**Place : Mumbai**

**Date : May 01, 2020**

**Place : Mumbai**

**Date : May 01, 2020**

**1) General information**

Dhursar Solar Power Private Limited is a wholly owned subsidiary of Reliance Power Limited. The Company had developed and is operating 40 MW Solar Photo-Voltaic Power Plant at Dhursar, District Jaisalmer, Rajasthan. The Company had entered into long term Energy Purchase Agreement (EPA) with Reliance Infrastructure Limited (R-Infra) for its entire capacity which is later transferred to Adani Electricity Mumbai Limited (AEML). The Company has declared commercial operation from March 28, 2012.

The Company is a private limited company which is incorporated and domiciled in India under the provisions of the Companies Act. The registered office of the Company is located at H Block, 1st Floor, Dhirubhai Ambani Knowledge City, Navi Mumbai - 400710.

These financial statements were authorised for issue by the board of directors on May 01, 2020.

**2) Significant accounting policies, critical accounting estimates and judgments:**

**2.1 Basis of preparation, measurement and significant accounting policies,**

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

**(a) Basis of preparation**

Compliance with Ind AS

The financial statements are in compliance, in all material aspects, with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) read with the [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act and rules made there under.

As prescribed by the Ind AS, if the particular Ind AS is not in conformity with the applicable laws, the provisions of the said law shall prevail and financial statements shall be prepared in conformity with such laws. Consequently, the Company has applied this norm while preparing the financial statements.

**Functional and presentation currency**

The financial statements are presented in 'Indian Rupees', which is also the Company functional currency. All amounts are rounded to the nearest lakhs, unless otherwise stated.

**Historical cost convention**

The financial statements have been prepared under the historical cost convention, as modified by the following:

- Certain financial assets and financial liabilities at fair value;
- Defined benefit plans – plan assets that are measured at fair value;

**Fair value measurement**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

**Current vis-à-vis non-current classification**

The assets and liabilities reported in the balance sheet are classified on a "current/non-current basis", with separate reporting of assets held for sale and liabilities. Current assets, which include cash and cash equivalents, are assets that are intended to be realized, sold or consumed during the normal operating cycle of the Company or in the 12 months following the balance sheet date; current liabilities are expected to be settled during the normal operating cycle of the Company or within the 12 months following the close of the financial year.

**(b) Property, plant and equipment**

Freehold land is carried at historical cost. All other items of property, plant and equipment are stated at cost net of recoverable taxes, duties, trade discount and rebate less accumulated depreciation and impairment loss if any. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Spare parts are recognised when they meet the definition of property, plant and equipment; otherwise, such items are classified as inventory.

Expenditure incurred on assets which are not ready for their intended use comprising direct cost, related incidental expenses and attributable borrowing cost are disclosed under Capital Work-in-Progress.

**Depreciation methods, estimated useful lives and residual value:**

Depreciation is provided to the extent of depreciable amount on Written Down Method (WDV) based on useful life of the assets as prescribed in Part C of Schedule II to the Companies Act, 2013 except in respect of Plant and equipment where useful life has been estimated as 25 years based on Internal assessment and technical evaluation by management.

Particulars	Useful live
Buildings	3 to 30 years
Lease hold land	Over the lease period
Property, Plant and Equipment	3 to 25 years
Furniture and fixtures	10 years
Motor Vehicles	3 to 8 years
Office equipments	3 to 5 years
Computers	3 to 6 years

In respect of additions or extensions forming an integral part of existing assets and insurance spares, including incremental cost arising on account of translation of foreign currency liabilities for acquisition of Fixed Assets, depreciation is provided as aforesaid over the residual life of the respective assets.

Estimated useful lives, residual values and depreciation methods are reviewed annually, taking into account commercial and technological obsolescence as well as normal wear and tear and adjusted prospectively, if appropriate.

Lease hold land is amortised over the lease period from the date of receipt of advance possession or execution of lease deed, whichever is earlier.

**(c) Intangible assets:**

Intangible assets are stated at cost of acquisition net of recoverable taxes less accumulated amortization / depletion and impairment loss, if any. The cost comprises of purchase price, borrowing costs and any cost directly attributable to bringing the asset to its working condition for the intended use.

Expenditure incurred on acquisition of intangible assets which are not ready to use at the reporting date is disclosed under "Intangible assets under development".

**Amortisation method and periods**

Amortization is charged on a straight-line basis over the estimated useful lives. The estimated useful life and amortization method are reviewed at the end of each annual reporting period, with the effect of any changes in the estimate being accounted for on a prospective basis.

Computer and software are amortised over the estimated useful live of three years.

**(d) Impairment of non-financial assets**

Assets which are subject to depreciation or amortisation are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment:



assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

**(e) Trade Receivable**

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

**(f) Financial instruments:**

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

**Investments and other financial assets**

**i. Classification**

The Company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and
- those measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held.

The Company has selected to account for investment in equity instrument of the fellow subsidiaries at cost in its financial statement.

The Company reclassifies debt investments when and only when its business model for managing those assets changes.

**ii. Measurement**

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

**Debt instruments:** Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Company classifies its debt instruments:

**Amortised cost:** Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt investment that is subsequently measured at amortised cost is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.

**Fair value through other comprehensive income (FVOCI):** Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income (FVOCI). 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 profit and loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/ (losses). Interest income from these financial assets is included in other income using the effective interest rate method.

**Fair value through profit or loss (FVTPL):** Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss is recognised in profit or loss in the period in which it arises. Interest income from these financial assets is included in other income.

**Equity investments:** The Company subsequently measures all equity investments (including investment in subsidiaries) at cost.

**iii. Impairment of financial assets**

The Company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables only, the Company applies the simplified approach permitted by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

**iv. Derecognition of financial assets**

A financial asset is derecognised only when:

- the rights to receive cash flows from the asset have expired, or
- the company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows to one or more recipient

Where the entity has transferred an asset, the company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

Where the entity has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the company has not retained control of the financial asset. Where the company retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

**v. Income recognition**

Interest income

Interest income from debt instruments is recognised using the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset. When calculating the effective interest rate, the company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses.

Dividend

Dividends are recognised in profit or loss only when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the company, and the amount of the dividend can be measured reliably.

**vi. Derivative Financial Instruments:**

Derivative are initially recognised at fair value on the date of derivative contract is entered into and are subsequently re-measure to their fair value at the end of the each reporting period. Further gain / (losses) arising on settlement and fair value change on derivative contracts are classified to finance cost.

**(g) Offsetting Financial Instruments**

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

**(h) Contributed equity**

Equity shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

(i) **Financial liabilities**

i. **Classification as debt or equity**

Debt and equity instruments issued by the company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definition of a financial liability and an equity instrument.

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities.

ii. **Initial recognition and measurement**

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.

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts and derivative financial instruments.

iii. **Subsequent measurement**

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

**Borrowings:** Borrowings are subsequently carried at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the statement of profit and loss over the period of the borrowings using the effective interest method.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

**Trade and other payable:** These amounts represents obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. These payable are classified as current liabilities if payment is due within one year or less otherwise they are presented as non-current liabilities. Trade and other payables are subsequently measured at amortised cost using the effective interest method.

iv. **Derecognition**

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other gains/(losses). When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period. Where there is a breach of a material provision of a long-term loan arrangement on or before the end of the reporting period with the effect that the liability becomes payable on demand on the reporting date, the entity does not classify the liability as current, if the lender agreed, after the reporting period and before the approval of the financial statements for issue, not to demand payment as a consequence of the breach.

(j) **Provisions, Contingent Liabilities and Contingent Assets:**

**Provisions**

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

**Contingent liabilities**

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. A present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or reliable estimate of the amount cannot be made, is termed as contingent liability.

**Contingent Assets:**

A contingent asset is disclosed, where an inflow of economic benefits is probable.

**(k) Borrowing costs**

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

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

Other borrowing costs are expensed in the period in which they are incurred.

**(l) Foreign currency translation:**

**i. Functional and presentation currency**

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates ('the functional currency'). The financial statements are presented in 'Indian Rupees' (INR), which is the Company's functional and the Company's presentation currency.

**ii. Transactions and balances**

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions.

All exchange differences arising on reporting foreign currency monetary items at rates different from those at which they were initially recorded are recognised in the Statement of Profit and Loss.

In respect of foreign exchange differences arising on revaluation or settlement of long term foreign currency monetary items, the Company has availed the option available in the Ind AS-101 to continue the policy adopted in Previous GAAP for accounting of exchange differences arising from translation of long-term foreign currency monetary items outstanding as on March 31, 2016, wherein:

Foreign exchange differences on account of depreciable asset, is adjusted in the cost of depreciable asset and would be depreciated over the balance life of asset.

Non-monetary items denominated in foreign currency are stated at the rates prevailing on the date of the transactions / exchange rate at which transaction is actually effected.

**(m) Revenue recognition:**

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of discounts, returns; value added taxes and amounts collected on behalf of third parties.

The Company recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the Company's activities as described below. The Company bases its estimates on historical results, taking into consideration the type of transaction and the specifics of each arrangement:

**i. Sale of energy**

Revenue from sale of energy is recognised on an accrual basis as per the tariff rate notified by Central Electricity Regulatory Commission (CERC) in accordance with the provisions of Energy purchase agreement (EPA) with Reliance Infrastructure Limited (R- Infra) which is later transferred to Adani Electricity Mumbai Limited (AEML).

**ii. Other operating income**

Revenue from certified reduction units is recognised as per terms and conditions agreed with trustee on sale of certified emission reduction units.

**(n) Employee benefits:**

**Short-term obligations**

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

**Other long-term employee benefit obligations**

The liabilities for earned leave and sick leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Re-measurements as a result of experience adjustments and changes in actuarial assumptions are recognised in profit or loss.

The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

**Post employee obligations**

The Company operates the following post-employment schemes:

- defined benefit plans such as gratuity
- defined contribution plans such as provident fund.

**Gratuity obligations**

The liability or asset recognised in the balance sheet in respect of defined benefit gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

The present value of the defined benefit obligation denominated in Rupees is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost.

**Defined contribution plans**

**Provident fund**

The Company pays provident fund contributions to publicly administered provident funds as per local regulations. The Company has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

**Superannuation**

Certain employees of the Company are participants in a defined contribution plan. The Company has no further obligations to the plan beyond its monthly contributions which are contributed to a trust fund, the corpus of which is invested with Reliance Life Insurance Company Limited.

**(o) Income tax**

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, on temporary differences arising between the tax base of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit (tax loss). Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities. 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.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

**(p) Cash and cash equivalents**

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, demand deposits with banks, short-term balances (with an original maturity of three months or less from date of acquisition), highly liquid investments that are readily convertible into known amount of cash and which are subject to insignificant risk of change in value.

**(q) Earnings per share**

**Basic earnings per share**

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the Company
- by the weighted average number of equity shares outstanding during the financial year.

**Diluted earnings per share**

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
- the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

**(r) Cash flow statement**

Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

**(s) Segment reporting**

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Project Director of Company that makes strategic decisions.

**(t) Dividends:**

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period.

**(u) Business combinations**

Business combinations involving entities that are controlled by the Company are accounted for using the pooling of interests method as follows:

- (i) The assets and liabilities of the combining entities are reflected at their carrying amounts.
- (ii) No adjustments are made to reflect fair values, or recognise any new assets or liabilities.
- (iii) Adjustments are only made to harmonise accounting policies.
- (iv) The financial information in the financial statements in respect of prior periods is restated as if the business combination had occurred from the beginning of the preceding period in the financial statements, irrespective of the actual date of the combination. However, where the business combination had occurred after that date, the prior period information is restated only from that date.
- (v) The balance of the retained earnings appearing in the financial statements of the transferor is aggregated with the corresponding balance appearing in the financial statements of the transferee or is adjusted against general reserve.
- (vi) The identity of the reserves are preserved and the reserves of the transferor become the reserves of the transferee.
- (vii) The difference, if any, between the amounts recorded as share capital issued plus any additional consideration in the form of cash or other assets and the amount of share capital of the transferor is transferred to capital reserve and is presented separately from other capital reserves.

**(v) Inventories:**

Inventories of tools, stores, spares parts, consumable supplies and fuel are valued at lower of weighted average cost, which includes all non refundable duties and charges incurred in bringing the goods to their present location and condition, and net realizable value after providing for obsolescence and other losses.

## **2.2 Critical accounting estimates and judgments**

Preparing the financial statements under Ind AS requires management to take decisions and make estimates and assumptions that may impact the value of revenues, costs, assets and liabilities and the related disclosures concerning the items involved as well as contingent assets and liabilities at the balance sheet date. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Company make estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

### **(a) Useful lives of Power Plant and Depreciation method**

Management of the Company decided the estimated useful lives of power plant and respective depreciation. The accounting estimate is based on the expected wears and tears incurred during power generation. Wears and tears can be significantly different following renovation each time. When the useful lives differ from the original estimated useful lives, management will adjust the estimated useful lives accordingly. It is possible that the estimates made based on existing experience are different to the actual outcomes within the next financial period and could cause a material adjustment to the carrying amount of Property, Plant and Equipments (refer note 3.1).

### **(b) Income taxes and Deferred tax**

There are transactions and calculations for which the ultimate tax determination is uncertain and would get finalized on completion of assessment by tax authorities. Where the final tax outcome is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

Deferred tax on temporary differences reversing within the tax holiday period is measured at the tax rates that are expected to apply during the tax holiday period, which is the lower tax rate or the nil tax rate. Deferred tax on temporary differences reversing after the tax holiday period is measured at the enacted or substantively enacted tax rates that are expected to apply after the tax holiday period (refer note 10).

### **(c) Impairment of assets**

At the end of each reporting period, the Company reviews the carrying amounts of its Property, plant and equipment to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset / residual value is estimated in order to determine the extent of the impairment loss (if any).

Recoverable amount of Property, plant and equipment is the higher of its fair value less costs of disposal and value in use. Value in use is usually determined on the basis of discounted estimated future cash flows. This involves management estimates on anticipated efficiency of the plant, fuel availability at economical rates, economic and regulatory environment, discount rates and other factors. Any subsequent changes to cash flow due to changes in the above mentioned factors could impact the carrying value of assets.

### **(d) Fair value measurement and valuation process**

The Company has measured certain assets and liabilities at fair value for financial reporting purposes. The management determines the appropriate valuation technique and inputs for fair value measurement. In estimating the fair value, the management engages third party qualified valuer to perform the valuations.

Estimates and judgements are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Company and that are believed to be reasonable under the circumstances (refer note 11).

### **(e) Estimation of uncertainties relating to the global health pandemic from COVID-19 :**

The Company has considered the possible effects that may result from the pandemic relating to COVID-19 on the carrying amounts of receivables, unbilled revenues, goodwill and intangible assets. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of this pandemic, the Company, as at the date of approval of these financial statements has used internal and external sources of information on the expected future performance of the Company. The Company has performed sensitivity analysis on the assumptions used and based on current estimates expects the carrying amount of these assets will be recovered. The impact of COVID-19 on the Company financial statements may differ from that estimated as at the date of approval of these financial statements.



3.1 Property, Plant and Equipment <sup>(2)</sup>

	Freehold land	Leasehold Land	Plant and equipment	Buildings	Furniture and fixtures	Motor Vehicles	Office equipment	Computers	Rupees in lakhs Total
Carrying amount as at March 31, 2018	21	21	64,624	750	1	4	@	1	65,432
Additions during the year	-	-	-	-	-	-	-	-	-
Adjustments <sup>(1)</sup>	-	-	2,924	-	-	-	-	-	2,924
Carrying amount as at March 31, 2019	21	21	67,548	750	1	4	@	1	68,356
Additions during the year	-	-	-	-	-	-	-	-	-
Adjustments <sup>(1)</sup>	-	-	4,034	-	-	-	-	-	4,034
Carrying amount as at March 31, 2020	21	21	71,582	750	1	4	@	1	72,390
Accumulated depreciation									
Balance as at March 31, 2018	-	3	20,050	276	@	3	@	1	20,333
For the year	-	1	5,547	45	@	@	-	@	5,593
Balance as at March 31, 2019	-	4	25,597	321	@	3	@	1	25,926
For the year	-	1	5,001	41	@	0	-	@	5,043
Balance as at March 31, 2020	-	5	30,598	362	@	3	@	1	30,969
Net Block									
As at March 31, 2019	21	17	41,951	439	1	1	-	1	42,430
As at March 31, 2020	21	16	40,984	368	1	1	@	@	41,423

## Notes:

1) Represents exchange differences capitalised (refer note 15)

2) Out of above Property, Plant and Equipment of Rs. 41,423 lakhs (March 31, 2019: Rs. 42,430 lakhs) has been pledged as security (Refer note 7)

@ Amount is below the rounding off norm adopted by the Company.

**Dhursar Solar Power Private Limited**  
**Notes to the financial statements for the year ended March 31, 2020 (continued)**

Particulars	Rupees in lakhs	
	As at March 31, 2020	As at March 31, 2019
<b>3.2(a) Investments</b>		
Non-current Financial Assets		
In fellow subsidiaries		
(Unquoted, fully paid up valued at cost)		
Preference shares <sup>1</sup> (instrument entirely equity in nature)		
Siyom Hydro Power Private Limited - 68,000 shares (March 31, 2019: 68,000 shares) face Value of Re. 1 each	680	680
Less: Provision for diminution in the value of Investment in Siyom Hydro Power Private Limited	(677)	(402)
	<b>3</b>	<b>278</b>
Aggregate book value of Unquoted Non Current Investments	3	278
The above preference shares have been acquired pursuant to the scheme of amalgamation and arrangement. (Refer Note 3.9.2)		
<b><sup>1</sup> 7.5% Compulsory Convertible Redeemable Non-Cumulative Preference Shares (CCRPS)</b>		
As per terms and conditions of the Investment made in preference shares of the Issuer companies shall have a call option on the CCRPS which can be exercised by them in one or more tranches and in part or in full before the end of agreed tenure (20 years) of the said shares. In case the call option is exercised, the CCRPS shall be redeemed at an issue price (i.e. face value and premium). The Company, however, shall have an option to convert the CCRPS into equity shares at any time during the tenure of such CCRPS. At the end of tenure and to the extent the Issuer Companies or the share holders thereof have not exercised their options, the CCRPS shall be compulsorily converted into equity shares. On conversion, in either case, each preference share shall be converted into equity shares of corresponding value (including the premium applicable thereon). In case the Issuer companies declare dividend on their equity shares, the CCRPS will also be entitled to the equity dividend in addition to the coupon rate of dividend.		
<b>3.2(b) Loans</b>		
Security deposits	1	1
	<b>1</b>	<b>1</b>
<b>3.2(c) Other non-current finance assets</b>		
(Unsecured and considered good)		
Derivative assets (Mark to Market ) on derivative Instruments (Net)	-	680
	<b>-</b>	<b>680</b>
<b>3.3 Other non-current assets</b>		
(Unsecured and considered good)		
Advance recoverable in cash or in kind (Refer note 8)	2,034	2,034
	<b>2,034</b>	<b>2,034</b>
<b>3.4 Inventories</b>		
Stores and spares	79	106
	<b>79</b>	<b>106</b>
<b>3.5(a) Trade receivables</b>		
(Unsecured and considered good)		
Receivables from related party (refer note 8)	7,228	7,866
(Including Rs.392 lakhs(March 31, 2019 :Rs.1,116 lakhs) billed subsequently to March 31, 2020)		
Receivables from Others	3,073	-
(Including Rs.531 lakhs(March 31, 2019 :Rs.Nil lakhs) billed subsequently to March 31, 2020)		
	<b>10,301</b>	<b>7,866</b>
<b>3.5(b) Cash and cash equivalents</b>		
Balance with banks:		
in current account	950	119
	<b>950</b>	<b>119</b>
<b>3.5(c) Bank balances other than cash and cash equivalents</b>		
Deposits with original maturity of more than three months but less than twelve months	4,675	4,123
	<b>4,675</b>	<b>4,123</b>
<b>3.5(d) Current Loans</b>		
(Unsecured and considered good)		
Security deposits	4	59
Inter corporate deposits to holding company (refer note 8)	11,645	11,887
(Interest free deposit for a period upto one year)		
Inter corporate deposits to other related party	4,035	2,753
	<b>15,684</b>	<b>14,499</b>

**Dhursar Solar Power Private Limited**  
**Notes to the financial statements for the year ended March 31, 2020 (continued)**

Particulars	Rupees in lakhs	
	As at March 31, 2020	As at March 31, 2019
<b>3.5(e) Other current financial assets</b> (Unsecured and considered good)		
Interest accrued on inter corporate deposits from other related party	323	-
	<b>323</b>	<b>-</b>
<b>3.6 Current tax assets (net)</b>		
Current tax assets (net of provision for tax)	121	300
	<b>121</b>	<b>300</b>
<b>3.7 Other current assets</b> (Unsecured and considered good)		
Prepaid expenses	2	2
Advance recoverable in cash or in kind	4,233	4,233
	<b>4,235</b>	<b>4,235</b>
<b>3.8 Other equity</b>		
<b>Balance at the end of the year</b>		
<b>3.8.1 Instrument entirely of equity in nature</b>		
Total	89	89
	<b>89</b>	<b>89</b>
<b>Reserves and surplus</b>		
<b>3.8.2 Capital reserve (arisen pursuant to scheme of amalgamation and arrangement with Maharashtra Energy Generation Infrastructure Limited)</b>	4,912	4,912
<b>3.8.3 Securities premium account</b>	17,701	17,701
<b>3.8.4 Retained earnings</b>	5,239	8,388
<b>Total</b>	<b>27,852</b>	<b>30,981</b>
<b>3.9.1 Instrument entirely of equity in nature</b>		
<b>Preference Shares</b>	89	89
<b>Authorised</b> 1,000,000 (March 31, 2019: 1,000,000) preference shares of Rs. 10 each	100	100
	<b>100</b>	<b>100</b>
<b>Issued, subscribed and paid up capital</b> 894,000 (March 31, 2019: 894,000) preference shares of Rs. 10 each fully paid-up	89	89
	<b>89</b>	<b>89</b>
<b>Reconciliation of number of shares</b>		
<b>Preference shares [refer note no. 3.9.1 (a)]</b>		
Balance at the beginning of the year 894,000 (March 31, 2019: 894,000) shares of Rs. 10 each fully paid-up	89	89
Balance at the end of the year - 894,000 (March 31, 2019: 894,000) shares of Rs. 10 each	<b>89</b>	<b>89</b>
<b>3.9.1(a) Terms/ rights attached to preference shares</b> <b>7.5% Compulsory Convertible Redeemable Non-Cumulative Preference Shares (CCRPS)</b>		
The Company shall have a call option on CCRPS which can be exercised by the Company in one or more tranches and in part or in full before the end of agreed tenure (20 years) of the said shares. In case the call option is exercised, CCRPS shall be redeemed at an issue price (i.e. face value and premium). The holders of CCRPS however, shall have an option to convert CCRPS into equity shares at any time during the tenure of such shares. At the end of tenure and to the extent the Company or the shareholder has not exercised their options, CCRPS shall be compulsorily converted into equity shares. On conversion, in either case, each CCRPS shall be converted into one fully paid equity share of Rs. 10 each at a premium of Rs. 990 share. If during the tenure of CCRPS, the Company declares equity dividend, CCRPS holders shall also be entitled to dividend on their shares at the same rate as the equity dividend and this dividend will be over and above the coupon rate of 7.5%. Those preference shares shall continue to be non cumulative.		
<b>Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company</b>		
<b>Preference shares [refer note no. 3.9.1 (a)]</b>		
Preference Shares of Rs. 10 each fully paid up held by Reliance Power Limited - Holding company		
Percentage of holding in the class	100%	100%
Number of shares	894,000	894,000
<b>3.9.2 Capital reserve (arisen pursuant to scheme of amalgamation and arrangement with Maharashtra Energy Generation Infrastructure Limited)</b> (refer note 3.9.5(a) below)	4,912	4,912
<b>3.9.3 Securities premium account (refer note 3.9.5(b) below)</b>	17,701	17,701
<b>3.9.4 Retained earnings</b>		
Balance at the beginning of the year	8,388	10,627
Profit for the year	(3,126)	(2,280)
Add: Remeasurements of post-employment benefit obligation (net) (Refer note 6)	(1)	1
Balance at the end of the year	<b>5,239</b>	<b>8,388</b>
<b>3.9.6 Nature and purpose of other reserves:</b>		
<b>a. Capital reserve (arisen pursuant to scheme of amalgamation with erstwhile Maharashtra Energy Generation Infrastructure Limited)</b> The Capital reserve of Rs. 4,912 lakhs had arisen pursuant to the scheme of amalgamation with Erstwhile Maharashtra Energy Generation Infrastructure Limited (MEGIL), sanctioned by the Hon'ble High Court of Bombay vide order dated April 12, 2013. The scheme was effective from January 1, 2013.		
<b>b. Securities premium account</b> Securities premium is for premium issue of shares. The reserve would be utilized in accordance with the provision of the Companies Act, 2013.		

**Dhursar Solar Power Private Limited**
**Notes to the financial statements for the year ended March 31, 2020 (continued)**

Particulars	Rupees in lakhs	
	As at March 31, 2020	As at March 31, 2019
<b>3.8 Share capital</b>		
<b>Authorised</b>		
1,000,000 (March 31, 2019: 1,000,000) equity shares of Rs. 10 each	100	100
	<b>100</b>	<b>100</b>
<b>Issued, subscribed and fully paid up capital</b>		
904,000 (March 31, 2019: 904,000) equity shares of Rs. 10 each fully paid-up	90	90
	<b>90</b>	<b>90</b>
<b>3.8.1 Reconciliation of number of equity shares</b>		
<b>Equity shares</b>		
Balance at the beginning of the year - 904,000 (March 31, 2019: 904,000) shares of Rs. 10 each	90	90
Balance at the end of the year - 904,000 (March 31, 2019: 904,000) shares of Rs. 10 each	<b>90</b>	<b>90</b>
<b>3.8.2 Rights, preference and restriction attached to equity shares</b>		
<b>a) Equity shares</b>		
The Company has only one class of equity shares having par value of Rs.10 per share. Each holder of the equity share is entitled for one vote per share. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive the remaining assets of the Company, after distribution of all preferential amounts.		
<b>3.8.3 Shares held by Holding Company</b>		
<b>Equity Shares</b>		
Reliance Power Limited - Holding Company	90	90
904,000 (March 31, 2019: 904,000) equity shares of Rs. 10 each fully paid		
(Out of the above, 903,999 (March 31, 2019: 903,999) shares are held by Reliance Power Limited and 1 share is jointly held by Reliance Power Limited and its nominees)		
	<b>90</b>	<b>90</b>
<b>3.8.3 Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company</b>		
<b>Equity shares</b>		
Equity shares of Rs.10 each fully paid up held by Reliance Power Limited - Holding Company	100%	100%
Percentage of holding in the class	904,000	904,000
Number of shares		

Particulars	Rupees in lakhs	
	As at March 31, 2020	As at March 31, 2019

### 3.10 Non-current borrowings

#### Secured - at amortised cost - Term loans

##### Term loans:

Foreign currency loans from financial institution/ other parties

36,063

-

**36,063**

**-**

#### 3.10.1 Nature of security for Term Loans:

- a) Term loans balance from financial institution/ other parties of Rs.48,934 (March 31, 2019 Rs. 44,900) is secured / to be secured by first charge on all the immovable and movable assets and intangible asset of the Company on pari passu basis and pledge of 99.99% of the total issued share capital of the Company held by the Holding Company.
- b) Current maturities of long term borrowings have been classified as other current liabilities (refer note 3.12(b))

#### 3.10.2 Terms of Repayment and Interest

- a) Foreign currency loan from financial institution/ other parties is repayable over a period of sixteen and half years in half-yearly installments commencing from September 25, 2012 and interest is payable based on Commercial Interest Reference Rate which is 2.97% per annum. The outstanding balance as on year end is Rs. 29,741 lakhs (March 31, 2019 Rs. 27,289 lakhs)
- b) Foreign currency loan from financial institution/ other parties of is repayable over a period of sixteen and half years in half-yearly installments commencing from September 25, 2012 and interest is payable at the rate of 6 months USD LIBOR plus 2.5% per annum. The outstanding balance as on year end is Rs. 19,193 lakhs (March 31, 2019 Rs. 17,611 lakhs)

3.10.3 The amortised cost disclosed above is net off incidental cost of borrowings aggregating Rs.955 lakhs (March 31, 2019 Rs. 1,171 lakhs).

### 3.11 Non-current provisions

Provision for gratuity (refer note : 6)

9

6

Provision for leave entitlement (refer note : 6)

13

10

**22**

**16**

### 3.12(a) Trade payables

Total Outstanding dues of micro enterprises and small enterprises (refer note 16)

24

26

Total Outstanding dues of creditors other than micro enterprises and small enterprises

104

237

**128**

**263**

### 3.12(b) Other current financial liabilities

Current maturities of long-term borrowings (refer note: 3.10)

11,916

43,729

Interest accrued but not due on borrowings

28

31

Interest accrued and due on borrowings

2,597

860

Retention money payable

80

41

Dues to Holding Company (refer note 8)

75

19

Dues to Fellow Subsidiary (refer note 8)

25

23

Creditors for supplies and services

126

224

Derivative Liabilities (Mark to Market ) on derivative Instruments (Net)

-

39

Others

620

252

**15,467**

**45,218**

### 3.13 Other current liabilities

Other payables\*

9

6

\*(Including provident fund, tax deducted at source and other miscellaneous payables)

**9**

**6**

### 3.14 Current provisions

Provision for gratuity (refer note : 6)

4

4

Provision for leave entitlement (refer note : 6)

5

4

**9**

**8**

**Dhursar Solar Power Private Limited**

**Notes to the financial statements for the year ended March 31, 2020 (continued)**

Particulars	Rupees In lakhs	
	Year ended March 31, 2020	Year ended March 31, 2019
<b>3.15 Revenue from operations</b>		
Sale of energy (refer note 8) (Net of UI charge's)	10,208	10,185
<b>Other Operating Income</b>		
Carbon credit emission	-	44
	<b>10,208</b>	<b>10,229</b>
<b>3.16 Other Income</b>		
<b>Interest Income:</b>		
Bank deposits	342	274
Interest Received others	358	
Net gain on settlement and fair value change arising on derivative instruments mandatorily measured at FVPL	-	416
	<b>700</b>	<b>690</b>
<b>3.17 Employee benefits expense</b>		
Salaries, bonus and other allowances	81	105
Contribution to provident fund and other funds	3	3
Gratuity and leave entitlement	8	5
	<b>92</b>	<b>113</b>
<b>3.18 Finance cost</b>		
<b>Interest and finance charges on financial liabilities measured at amortised cost:</b>		
On Foreign currency loans	2,275	2,046
Net loss on settlement and fair value change arising on derivative instruments mandatorily measured at FVPL	29	0
Other finance charges	3	1
	<b>2,307</b>	<b>2,047</b>
<b>3.19 Other expenses</b>		
Stores and spares consumed	35	20
Rent expenses	4	30
Transmission charges	670	648
Operation and maintenance service charges	83	89
Other operating expenditures	221	157
Repairs and maintenance		
- Plant and equipment	5	137
Legal and professional charges (including shared service charges)	259	145
Rates and taxes	58	5
Insurance	26	22
Trade receivables written off	4,924	3,943
Miscellaneous expenses	34	141
	<b>6,319</b>	<b>5,337</b>

**4) Contingent liabilities and commitments**

Estimated amount of contracts remaining unexecuted on capital account (net of advances paid) and not provided for Rs. 1,137 lakhs (March 31, 2019 Rs. 1,137 lakhs ).

**5) Details of remuneration to auditors:**

	Rupees in lakhs	
	Year ended	Year ended
	March 31, 2020	March 31, 2019
(a) As auditors		
For statutory audit*	5	12
For other services*		-
(b) Out-of-pocket expenses	@	@

\* The above amounts are exclusive of taxes.

@ Amount is below the rounding off norm adopted by the Company

**6) Employee benefit obligations**

The Company has classified various employee benefits as under:

**a) Leave obligations**

The leave obligations cover the Company liability for sick and privileged leave.

	Rupees in lakhs	
Provision for leave encashment	March 31, 2020	March 31, 2019
Current*	5	4
Non-current	13	10

@ Amount is below the rounding off norm adopted by the Company

\* The Company does not have an unconditional right to defer the settlements.

**b) Defined contribution plans**

(i) Provident fund

(ii) Superannuation fund

(iii) State defined contribution plans

- Employees' Pension Scheme 1995

The provident fund and the state defined contribution plan are operated by the regional provident fund commissioner and the superannuation fund is administered by the trust. Under the schemes, the Company is required to contribute a specified percentage of payroll cost to the retirement benefit schemes to fund the benefits.

The Company has recognised the following amounts in the Statement of Profit and Loss for the year:

	Rupees in lakhs	
	Year ended	Year ended
	March 31, 2020	March 31, 2019
(i) Contribution to provident fund	3	3
(ii) Contribution to employees' superannuation fund	-	-
(iii) Contribution to employees' pension scheme 1995	@	@
(iv) Contribution to employees' deposit linked insurance scheme	@	@

@ Amount is below the rounding off norm adopted by the Company

**c) Post employment obligation****Gratuity**

The Company has a defined benefit plan in India, governed by the Payment of Gratuity Act, 1972. The plan entitles an employees, who has rendered at least five years of continuous service, to gratuity at the rate of fifteen days basic salary for every completed years of services or part thereof in excess of six months, based on the rate of basis salary last drawn by the employee concerned.

**(i) Significant estimates: actuarial assumptions**

Valuations in respect of gratuity have been carried out by an independent actuary, as at the Balance Sheet date, based on the following assumptions:

Particulars	March 31, 2020	March 31, 2019
Discount rate (per annum)	6.30%	7.10%
Rate of increase in compensation levels	7.50%	7.50%
Expected average remaining working lives of employees in number of years	3.24	3.33

The estimate of rate of escalation in salary considered in actuarial valuation, takes into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market.

**(ii) Balance Sheet amount (Gratuity Plan)**

Particulars	Rupees in lakhs		
	Present value of obligation	Fair value of plan assets	Net amount
<b>Balance as on March 31, 2019</b>	<b>10</b>	<b>-</b>	<b>10</b>
Current service cost	1	-	1
Past service cost	-	-	-
Interest cost	1	-	1
<b>Total amount recognised in profit and loss</b>	<b>2</b>	<b>-</b>	<b>2</b>
<b>Remeasurements</b>			
Return on plan assets, excluding amount included in interest expense/(income)	-	-	-
(Gain) / loss from change in demographic assumptions	@	-	@
(Gain) / loss from change in financial assumptions	@	-	@
Experience (gains) / losses	@	-	@
<b>Total amount recognised in other comprehensive income</b>	<b>1</b>	<b>-</b>	<b>1</b>
Employer contributions	-	-	-
Benefit payments	-	-	-
<b>Balance as on March 31, 2020</b>	<b>13</b>	<b>-</b>	<b>13</b>

Particulars	Present value of obligation	Fair value of plan assets	Net amount
<b>Balance as on March 31, 2018</b>	<b>9</b>	<b>-</b>	<b>9</b>
Current service cost	1	-	1
Past service cost	-	-	-
Interest cost	1	-	1
<b>Total amount recognised in profit and loss</b>	<b>2</b>	<b>-</b>	<b>2</b>
<b>Remeasurements</b>			
Return on plan assets, excluding amount included in interest expense/(income)	-	-	-
(Gain) / loss from change in demographic assumptions	@	-	@
(Gain) / loss from change in financial assumptions	@	-	@
Experience (gains) / losses	-1	-	-1
<b>Total amount recognised in other comprehensive income</b>	<b>-1</b>	<b>-</b>	<b>-1</b>
Employer contributions	-	-	-
Benefit payments	-	-	-
<b>Balance as on March 31, 2019</b>	<b>10</b>	<b>-</b>	<b>10</b>

@ Amount is below the rounding off norm adopted by the Company



The net liability disclosed above relates to funded and unfunded plans are as follows:

Particulars	Rupees in lakhs	
	March 31, 2020	March 31, 2019
Present value of funded obligations	-	-
Fair value of plan assets	-	-
<b>Deficit of gratuity plan</b>	-	-
Unfunded plans	13	10
<b>Deficit of gratuity plan</b>	13	10

(iii) **Sensitivity analysis:**

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

Particulars	Change in assumptions		increase in assumptions		decrease in assumptions	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Discount rate	0.50%	0.50%	-1.60%	-1.64 %	1.64%	1.69 %
Rate of increase in compensation levels	0.50%	0.50%	1.61%	1.68 %	-1.59%	-1.64 %

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the balance sheet. The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior period.

For unfunded plan, the Company has no compulsion to pre fund the liability of the plan. The Company's policy is not to externally fund these liabilities but instead recognizes the provision and pay the gratuity to its employees directly from its own resources as and when the employee leaves the Company.

**Dhursar Solar Power Private Limited**

**Notes to the financial statements for the year ended March 31, 2020 (continued)**

**7) Assets pledged as security**

Particulars	Rupees in lakhs	
	March 31, 2020	March 31, 2019
<b>Non-current</b>		
<b>Financial assets</b>		
First charge		
Investments	3	278
Other financial assets	1	681
<b>Non-financial assets</b>		
First charge		
Property, plant and equipment	41,423	42,430
Other non-current assets	2,034	2,034
<b>Total Non-current assets pledged as security</b>	<b>43,461</b>	<b>45,423</b>
<b>Current</b>		
<b>Financial assets</b>		
First charge		
Trade receivables	10,301	7,866
Cash and bank balances	5,525	4,242
Loans	15,684	14,409
Other financial assets	323	-
<b>Non-financial assets</b>		
Inventories	79	106
Other current assets	4,235	4,235
<b>Total Current assets pledged as security</b>	<b>36,147</b>	<b>30,948</b>
<b>Total assets pledged as security</b>	<b>79,608</b>	<b>76,371</b>

**Dhursar Solar Power Private Limited**  
**Notes to the financial statements for the year ended March 31, 2020 (continued)**

**8) Related party transactions:**

**A. Parties where control exists:**

**Holding Company**

Reliance Power Limited (RPower)

**Fellow subsidiaries:**

Rajasthan Sun Technique Energy Private Limited (RSTL)

Tato Hydro Power Private Limited (THPPL)

Siyom Hydro Power Private Limited (SHPPL)

Rosa Power Supply Company Limited (RPSL)

Sasan Power Limited (SPL)

Vidarbha Industries Power Limited (VIPL)

**B. Investing parties/promoters having significant influence on the Company directly or indirectly:**

**Individual**

Shri Anil D Ambani

**Companies**

Reliance Infrastructure Limited (R Infra)

C	Details of transactions during the year and closing balance at the end of the year:	Rupees in lakhs	
		March 31, 2020	March 31, 2019
(i)	Transactions during the year:		
	<b>Sales</b>		
	- R Infra (Sale of Energy net of UI Charges)	4,492	6,175
	<b>Sale of Investments</b>		
	- R Power	-	4,233
	<b>Reimbursement of expenses and advances incurred by</b>		
	- R Power	56	7
	- SPL	-	23
	- VIPL	2	-
	<b>Non-current Investment (refer note 3.2(a))</b>		
	SHPPL- Impairment Loss	275	-
	<b>Inter corporate deposit given to</b>		
	- R Power	-	3,686
	- R Infra	1,282	2,753
	<b>Interest on Inter Corporate given to</b>		
	- R Infra	323	-
	<b>Refund of inter corporate deposit</b>		
	- R Power	42	3,686

**Dhursar Solar Power Private Limited**
**Notes to the financial statements for the year ended March 31, 2020 (continued)**

		Rupees in lakhs	
		March 31, 2020	March 31, 2019
(ii)	<b>Closing Balance :</b>		
	<b>Equity share capital (excluding premium)</b>		
	- R Power	90	90
	<b>Preference share capital (excluding premium)</b>		
	- R Power	89	89
	<b>Capital Advance</b>		
	- R Infra	2,034	2,034
	<b>Other Receivables</b>		
	- R Power	4,233	4,233
	<b>Trade receivables</b>		
	- R Infra	7,229	7,866
	Total Receivable – Rs 16,096		
	Less: Receivable W/off -18-19 – Rs 3,943		
	Less: Receivable W/off -19-20 – Rs 4,924		
	<b>Non-current Investments (refer note 3.2(a))</b>		
	SHPPL	3	278
	<b>Inter corporate deposit given</b>		
	- R Power	11,645	11,687
	- R Infra	4,035	2,753
	<b>Interest on Inter Corporate deposit given</b>		
	- R Infra	323	-
	<b>Other Current Liabilities</b>		
	- R Power	75	19
	- SPL	23	23
	- VIPL	2	-

(iii) The above disclosures do not include transactions with public utility service providers, viz, electricity, telecommunications in the normal course of business.

(iv) The Company has entered into a memorandum of understanding for sharing of certain assets between the Company and RSTL.

**9) Earnings per share:**

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
<b>Profit/(Loss) available to equity shareholders</b>		
Net profit/(loss) after tax (A) (Rupees in lakhs)	(3,128)	(2,260)
Weighted average number of equity shares (B)	904,000	904,000
<b>Basic earnings per share (A/B) (Rupees)</b>	(346.06)	(250.00)
Weighted average number of potential equity shares on account of conversion of preference shares (C)	894,000	894,000
Weighted average number of shares for Diluted EPS(D=B+C)	1,798,000	1,798,000
<b>Diluted earnings per share (A/D) (Rupees)</b>	(174.00)	(125.70)
Nominal value of an equity share (Rupees)	10.00	10.00

## 10) Income taxes

The major components of income tax expense for the years ended March 31, 2020 and March 31, 2019 are as under:

(a) Income tax recognised in statement of profit and loss		Rupees in lakhs
Particulars	March 31, 2020	March 31, 2019
Income tax expense		
Current tax		
Current tax on profit for the year	-	-
Adjustment for current tax of prior period	-	-
Total Current tax expenses	-	-
Deferred tax		
Decrease / (increase) in deferred tax assets	-	89
(Decrease) / increase in deferred tax liabilities	-	-
Total deferred tax expenses(benefit)	-	89
Income tax expenses	-	89

(b) The reconciliation of tax expense and the accounting profit multiplied by tax rate :		Rupees in lakhs
Particulars	March 31, 2020	March 31, 2019
Profit/(loss) before tax (A)	(3,128)	(2171)
Tax at the Indian tax rate of 26%(2018-19 26% )	(813.38)	(564.46)
Tax effect of amounts which are not deductible(taxable) in calculating taxable income:		
Tax impact on disallowed expenses (net)	813.38	564.46
Adjustment of Current tax for prior period	-	89
Effect of tax holiday, tax credits and other adjustments	-	-
Income tax expense	-	89

(c) Tax liabilities/ (Assets):		Rupees in lakhs
Particulars	March 31, 2020	March 31, 2019
Provision for income tax (advance tax) – Opening balances	(300)	146
Taxes paid (net of refund)	179	(446)
Current tax payable for the year	-	-
Provision for income tax (advance tax) – Closing balances	(121)	(300)

## Note:

The Company is availing tax holiday under Section 80- IA of Income Tax Act, 1961. Hence, deferred tax asset/ liability on timing difference originating and reversing during the tax holiday period is not recognised in the financial statement.

## 11) Fair value measurements

## (a) Financial instruments by category

	Rupees in lakhs			
	March 31, 2020		March 31, 2019	
	FVPL	Amortised cost	FVPL	Amortised cost
<b>Financial assets</b>				
Security Deposit	-	5	-	60
Derivative assets	-	-	680	-
Trade receivables	-	10,301	-	7,866
Cash and cash equivalents	-	950	-	119
Bank deposits with more than 12 months maturity	-	4,575	-	4,123
Inter corporate deposits	-	15,681	-	14,440
Other financial assets	-	4,235	-	4,235
<b>Total financial assets</b>	-	<b>35,747</b>	<b>680</b>	<b>30,843</b>
<b>Financial liabilities</b>				
Borrowings	-	50,604	-	44,620
Trade payables	-	128	-	237
Other current financial liabilities	-	926	-	586
Derivatives Liabilities	-	-	39	-
<b>Total financial liabilities</b>	-	<b>51,658</b>	<b>39</b>	<b>45,443</b>

## (b) Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the company has classified its financial instruments into the three levels prescribed under IND AS as below.

Financial assets and liabilities measured at fair value - recurring fair value measurements as at March 31, 2020	Rupees in lakhs				
	Notes	Level 1	Level 2	Level 3	Total
<b>Financial assets</b>					
Derivatives	3.2(c)	-	-	-	-
<b>Total financial assets</b>		-	-	-	-
<b>Financial liabilities</b>					
Derivatives	3.12(b)	-	-	-	-
<b>Total financial liabilities</b>		-	-	-	-

Assets and liabilities which are measured at amortised cost for which fair values are disclosed as at March 31, 2020	Rupees in lakhs				
	Notes	Level 1	Level 2	Level 3	Total
<b>Financial assets</b>					
Security deposits	3.2(b)	-	-	1	1
<b>Total financial assets</b>		-	-	1	1
<b>Financial Liabilities</b>					
Borrowings	3.10 & 3.12(b)	-	49,397	-	49,397
<b>Total financial liabilities</b>		-	<b>49,397</b>	-	<b>49,397</b>

Financial assets and liabilities measured at fair value - recurring fair value measurements as at March 31, 2019	Notes	Rupees in lakhs			
		Level 1	Level 2	Level 3	Total
<b>Financial assets</b>					
Derivatives	3.2(c)	-	680	-	680
<b>Total financial assets</b>		-	680	-	680
<b>Financial liabilities</b>					
Derivatives	3.12(b)	-	39	-	39
<b>Total financial liabilities</b>		-	39	-	39

Assets and liabilities which are measured at amortised cost for which fair values are disclosed as at March 31, 2019	Notes	Rupees in lakhs			
		Level 1	Level 2	Level 3	Total
<b>Financial assets</b>					
Security deposits	3.2(b)	-	-	1	1
<b>Total financial assets</b>		-	-	1	1
<b>Financial Liabilities</b>					
Borrowings	3.10 & 3.12(b)	-	44,620	-	44,620
<b>Total financial liabilities</b>		-	44,620	-	44,620

**(c) Valuation processes**

The Company obtains assistance of independent and competent third party valuation experts to perform the valuations of financial assets and liabilities required for financial reporting purposes, including level 3 fair values. Discussions of valuation processes and results are held between the Company and the valuer on periodically basis.

Discount rates are determined using a capital asset pricing model to calculate a pre-tax rate that reflects current market assessments of the time value of money and the risk specific to the asset.

**(d) Valuation technique used to determine fair values**

Specific valuation techniques used to value financial instruments include:

- The fair value of interest rate swaps is calculated as the present value of the estimated future cash flows based on observable curves.
- The fair value of forward foreign exchange contracts is determined using Bloomberg forward contract pricing model, which determines fair value on a discounted cash flow basis.
- The fair value of foreign currency option contracts is determined using the Black Scholes valuation model.
- The fair value of remaining financial instruments is determined using discounted cash flow analysis.

**(e) Fair value of financial assets and liabilities measured at amortised cost**

	Rupees in lakhs			
	March 31, 2020		March 31, 2019	
	Carrying amount	Fair value	Carrying amount	Fair value
<b>Financial Assets</b>				
Security deposits	1	1	1	1
<b>Total financial assets</b>	1	1	1	1
<b>Financial Liabilities</b>				
Borrowings*	50,604	49,397	44,620	44,620
<b>Total financial liabilities</b>	50,604	49,397	44,620	44,620

\*Carrying amount of borrowing includes long term borrowing, current maturity of long term borrowing and interest accrued but not due on borrowing.

**Dhursar Solar Power Private Limited**

**Notes to the financial statements for the year ended March 31, 2020 (continued)**

The carrying amount of current financial assets and liabilities (other than current maturity of long term borrowing and interest accrued but not due on borrowing which have been considered as part of borrowing) are considered to be the same as their fair values, due to their short term nature.

The fair value of the long-term borrowings with floating-rate of interest is not impacted due to interest rate changes, and will not be significantly different from their carrying amounts as there is no significant change in the under-lying credit risk of the Company borrowing (since the date of inception of the loans).

For financial assets and liabilities that are measured at fair value, the carrying amount is equal to the fair values.

**Note**

Level 1 : Level 1 hierarchy includes financial instruments measured using quoted prices.

Level 2: The fair value of financial instruments that are not traded in an active market (for example over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities which are included in level 3.

There were no transfers between any levels during the year.

The Company's policy is to recognise transfer into and transfer out of fair value hierarchy levels as at the end of the reporting period.



**12) Financial risk management**

The Company's business activities expose it to a variety of financial risks, namely liquidity risk, market risks and credit risk.

<b>Risk</b>	<b>Exposure arising from</b>	<b>Measurement</b>	<b>Management</b>
Credit Risk	Cash and cash equivalents, trade receivables, financial assets measured at amortised cost.	Aging analysis	only high rated banks/institutions are accepted
Liquidity Risk	Borrowings and other liabilities	Rolling cash flow forecasts	Availability of committed credit lines and borrowing facilities
Market risk – foreign exchange	Recognised financial assets and liabilities not denominated in Indian rupee (INR)	Sensitivity analysis	Partly hedge by foreign exchange forward, cross currency and call spread contract
Market risk – interest rate	Long-term borrowings at variable rates	Sensitivity analysis	Partly hedge by interest rate swap

**(a) Credit risk**

The Company is exposed to credit risk, which is the risk that counterparty will default on its contractual obligation resulting in a financial loss to the Company. Credit risk arises from cash and cash equivalents, financial assets carried at amortised cost and deposits with banks and financial institutions, as well as credit exposures to trade customers towards sale of electricity as per the term's of PPA and CERC.

**Credit risk management**

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss.

The Company credit risk arises from accounts receivable balances on sale of electricity is based on the PPA entered with the power procurer and inter-corporate deposits / loans given to group entities. The credit risk is low as the sale of electricity is based on the terms of the PPA which has been approved by the regulator. The Inter-corporate deposits / loan have been given only to the holding company.

For banks and financial institutions, only highly rated banks/institutions are accepted. Generally all policies surrounding credit risk have been managed at company level.

**(b) Liquidity risk**

- (i) Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and to close out market positions. Due to the dynamic nature of the underlying businesses, company treasury maintains flexibility in funding by maintaining availability under committed credit lines.

Management monitors rolling forecasts of the Company's liquidity position and cash and cash equivalents on the basis of expected cash flows. In addition, the Company's liquidity management policy involves projecting cash flows in major currencies and considering the level of liquid assets necessary to meet these, monitoring balance sheet liquidity ratios against internal and external regulatory requirements and maintaining debt financing plans.

(ii) **Maturities of financial liabilities**

The amounts disclosed in the below are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

	Rupees in lakhs			
March 31, 2020	Less than 1 year	Between 1 year and 5 years	More than 5 years	Total
<b>Non-derivatives Financial liabilities</b>				
Borrowings*	16,237	19,866	23,496	59,599
Trade payables	128			128
Retention money payable	80			80
Creditors for supplies and services	126			126
Due to Holding Company	100			100
Other financial liabilities	620			620
<b>Total Non-derivatives Financial liabilities</b>	<b>17,291</b>	<b>19,866</b>	<b>23,496</b>	<b>60,653</b>
<b>Derivatives Financial liabilities</b>				
Forward exchange contracts use for hedging inflow	-	-	-	-
Outflow				
<b>Total Derivatives Financial liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

	Rupees in lakhs			
March 31, 2019	Less than 1 year	Between 1 year and 5 years	More than 5 years	Total
<b>Non-derivatives Financial liabilities</b>				
Borrowings*	44,620	-	-	44,620
Trade payables	237	-	-	237
Retention money payable	41	-	-	41
Creditors for supplies and services	250	-	-	250
Due to Holding Company	19	-	-	19
Other financial liabilities	275	-	-	275
<b>Total Non-derivatives Financial liabilities</b>	<b>45,442</b>	<b>-</b>	<b>-</b>	<b>45,442</b>
<b>Derivatives Financial liabilities</b>				
Forward exchange contracts use for hedging Inflow	(282 )	-	-	(282 )
Outflow	323	-	-	323
<b>Total Derivatives Financial liabilities</b>	<b>41</b>	<b>-</b>	<b>-</b>	<b>41</b>

\* Includes contractual interest payments based on the interest rate prevailing at the reporting date.

(c) **Market risk**

Market risk is the risk that the fair values of future cash flows of a financial instrument will fluctuate because of volatility of prices in the financial markets. Market risk can be further segregated as: a) Foreign currency risk and b) Interest rate risk.

(i) **Foreign currency risk**

Foreign currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company has long term monetary liabilities which are in currency other than its functional currency. Foreign currency risk, as defined in Ind AS 107, arises as the value of recognised monetary assets and monetary liabilities denominated in other currencies fluctuate due to changes in foreign exchange rates. Also refer note 2(i) on Company's policy on accounting for exchange difference.

- Foreign currency risk exposure:

The Company's exposure to foreign currency risk (all in USD \$) at the end of the reporting period expressed in INR, are as follows.

	Rupees in lakhs	
	March 31, 2020	March 31, 2019
<b>Financial liabilities</b>		
Borrowings	48,934	44,900
<b>Gross foreign currency exposure</b>	<b>48,934</b>	<b>44,900</b>
Covered by Derivative		
Forward contracts	-	2,352
Call spread	-	13,212
<b>Covered by derivatives</b>	<b>-</b>	<b>15,564</b>
<b>Net exposure to foreign currency risk (liabilities)</b>	<b>48,934</b>	<b>29,336</b>

- Sensitivity of foreign currency exposure

The sensitivity of profit or loss to changes in the exchange rates arises mainly from foreign currency denominated financial instruments.

	Rupees in lakhs	
	Impact on profit before tax	
	March 31, 2020	March 31, 2019
<b>USD sensitivity</b>		
FX rate – increase by 6% on closing rate on reporting date*	(2,936)	(2,334)
FX rate– decrease by 6% on closing rate on reporting date *	2,936	2,183
* Holding all other variables constant		

(ii) Interest rate risk

The Company's main interest rate risk arises from long-term borrowings with variable rates, which expose the Company to cash flow interest rate risk. During March 31, 2020 the Company's borrowings at variable rate were mainly denominated in USD.

The company's fixed rate borrowings are carried at amortised cost. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

- Interest rate risk exposure

The exposure of the company's borrowing to interest rate changes at the end of the reporting period are as follows:

	Rupees in lakhs	
	March 31, 2020	March 31, 2019
Variable rate borrowings	19,047	17,429

- Sensitivity of Interest

Profit or loss is sensitive to higher/ (lower) interest expense from borrowings as a result of changes in interest rates.

	Rupees in lakhs	
	Impact on profit before tax	
	March 31, 2020	March 31, 2019
<b>Interest sensitivity</b>		
Interest cost – increase by 5% on existing Interest cost*	(32)	(42)
Interest cost – decrease by 5% on existing Interest cost*	32	42

\* Holding all other variables constant

**13) Capital Management****(a) Risk Management**

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The Company monitors capital on basis of total equity and debt on a periodic basis. Equity comprises all components of equity includes the fair value impact. Debt includes long term borrowing and current maturity. The following table summarizes the capital of the Company:

	Rupees in lakhs	
	March 31, 2020	March 31, 2019
Equity (excluding other reserves)	23,120	26,248
Debt	47,979	43,729
<b>Total</b>	<b>71,099</b>	<b>69,977</b>

(b) The Company is generally regular in payment of its debt service obligation.

**14) Segment reporting**

Presently, the Company is engaged in only one segment viz 'Generation of Power' and as such there is no separate reportable segment as per Ind AS 108 'Operating Segments'. Presently, the Company's operations are predominantly confined in India.

**Information about major customers**

Revenue for the year ended March 31, 2020 and March 31, 2019 were from customers located in India. Customers include private distribution entities. Revenue to specific customers exceeding 10% of total revenue for the years ended March 31, 2020 and March 31, 2019 were as follows: (Refer note 2(m)(i))

Customer Name	For the year ended			
	March 31, 2020		March 31, 2019	
	Revenue in lakhs	Percent	Revenue in lakhs	Percent
R infra (net off UI Charges)	4,492	44%	6,175	61%
Adani Electricity Mumbai Ltd (net off UI Charges)	5,716	56%	4,010	39%
	10,208	100%	10,185	100%

**15) Exchange Difference on Long Term Monetary Items**

In accordance with Para D13AA of Ind AS 101 "First time adoption of Indian Accounting Standards" and the option available in the Companies (Accounting Standards) (Second Amendment) Rules, 2011, vide notification dated December 29, 2011 issued by the Ministry of Corporate Affairs. The Company has adjusted the value of Plant and equipment by of Rs.4,034 lakhs (Loss) (March 31, 2019 Rs. 2,924 lakhs) towards the exchange difference arising on long term foreign currency monetary liabilities towards depreciable assets.

**16) Disclosure under Micro, Small and Medium Enterprises Development Act, 2006**

The amount due to Micro and Small Enterprises as defined in the "The Micro, Small and Medium Enterprises Development Act, 2006" has been determined based on the information available with the Company and the required disclosure are given below.

	For the year ended March 31, 2020	Rupees in lakhs For the year ended March 31, 2019
(a) The principal amount remaining unpaid to supplier as at the end of the accounting year (refer note 3.12(a))	24.39	25.57
(b) The interest due thereon remaining unpaid to supplier as at the end of the accounting year	@	@
(c) The amount of interest paid in terms of Section 16, along with the amount of payment made to the supplier beyond the appointed day during the year	-	-
(d) The amount of interest due and payable for the year	-	-
(e) The amount of interest accrued and remaining unpaid at the end of the accounting year	@	@
(f) 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	-	-

@ Amount is below the rounding off norm adopted by the Company.

**17) The information for Self-generated Certified Emission Reductions (CERs) relating to certified emission rights are as follows:-**

Sr. No.	Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
a)	No. of CERs held as inventory and the basis of valuation	-	-
b)	No. of CERs under certification	-	-
c)	Depreciation and operating and maintenance costs of Emission Reduction equipment expensed during the year	-	-

**18) Offsetting of financial assets and financial liabilities**

The following table presents the derivative financial instruments that are offset as at March 31, 2020 and March 31, 2019 where as per the terms of the agreement the net position owing / receivable to a single counterparty in the same currency has been offsetted and presented at net amount in the balance sheet.

Particulars	Gross amounts	Gross amount sett-off in balance sheet	Rupees in lakhs
			Net balance presented in balance sheet
<b>As at March 31, 2020</b>			
<b>Financial Liabilities</b>			
Derivative Liabilities	(39)	39	-
<b>Total Financial Liabilities</b>	<b>(39)</b>	<b>39</b>	<b>-</b>
<b>Financial Assets</b>			
Derivative Assets	680	(680)	-
<b>Total Financial Assets</b>	<b>680</b>	<b>(680)</b>	<b>-</b>
<b>As at March 31, 2019</b>			
<b>Financial Liabilities</b>			
Derivative Liabilities	(359)	320	(39)
<b>Total Financial Liabilities</b>	<b>(359)</b>	<b>320</b>	<b>(39)</b>
<b>Financial Assets</b>			
Derivative Assets	1000	(320)	680
<b>Total Financial Assets</b>	<b>1000</b>	<b>(320)</b>	<b>680</b>

## 19) Disclosure pursuant to para 44 A to 44 E of Ind AS 7 - statement of cash flows

Particulars	Rupees in lakhs	
	Year ended March 31, 2020	Year ended March 31, 2019
<b>Long Term Borrowings</b>		
Opening Balance		
- Non Current	-	38,726
- Current	43,729	4,180
Changes in Fair Value		
- Impact of Effective Rate of Interest	216	234
- Exchange (gain) / loss	4,034	2,924
Repaid during the year/period	-	(2,335)
Closing Balance		
- Non Current	36,063	-
- Current	11,916	43,729
<b>Interest Expenses</b>		
Interest accrued but not due on borrowings (Opening)	31	29
Interest accrued and due on borrowings (Opening)	860	-
Interest charge as per statement profit and loss	2,307	2,047
Changes in Fair Value		
- Impact of Effective Rate of Interest	(216)	(234)
- Impact of MTM Derivative valuation	(29)	39
Interest paid to Lenders	(328)	(990)
Interest accrued and due on borrowings (Closing)	2597	860
Interest accrued but not due on borrowings (Closing)	28	31

## 20) Corporate Social Responsibility

Particulars	Rupees in lakhs	
	March 31, 2020	March 31, 2019
Contribution to other CSR Activities	5.31	31
<b>Total</b>	<b>5.31</b>	<b>31</b>
Amount required to be spent as per Section 135 of the Act	6	27
Amount spent during the year on		
Purposes other than Construction/acquisition of an asset	5.31	31

- 21) The Company had entered into a Energy Purchase Agreement (EPA) with Reliance Infrastructure Limited (RInfra) for its 40 MW solar PV power plant at a tariff of Rs. 17.91/kWh. During FY 2018-19, RInfra and Reliance Electric Generation and Supply Limited (REGSL) have entered into the Scheme of Arrangement, approved by the Hon'ble High Court of Bombay, pursuant to which REGSL acquired the Mumbai Power Division of RInfra (Generation, Transmission as well as Distribution). Consequent to the transfer of Mumbai Power Division to REGSL, RInfra has transferred its holding in REGSL to Adani Transmission Limited (ATL). Subsequently REGSL is renamed as Adani Electricity Mumbai Limited (AEML).

The above referred EPA has been a long term contract as any firm power purchase contract should be for a Distribution Licensee. The EPA of 40 MW was entered into not only to meet the Renewable Purchase Obligation (RPO) target cumulatively for the Control Period, but also to cater to the future demand and consequent increase in RPO target, expected after FY2015-16. However, Maharashtra Electricity Regulatory Commission (MERC) vide its Order dated

**Dhursar Solar Power Private Limited****Notes to the financial statements for the year ended March 31, 2020 (continued)**

21.10.2016 in Case 34 of 2016 approved the weighted average rate of purchase from Dhursar Solar as Rs 10.31/kWh for FY 18-19 and Rs 10.30/kWh for FY 19-20 following the approach in contrary to its previous Orders. Rinfra has challenged the rate approved by MERC and has filed an appeal against the order of MERC with Appellate Tribunal for Electricity (APTEL), which is pending for disposal. The Company has been legally advised that the chances of decision in favour of the Company are high considering the facts and past judgments on similar matters.

Subsequent to transfer of Mumbai Power Division by Rinfra to ATL, pending settlement of the dispute, AEML is liable to pay to the Company, only to the extent of weighted average rate approved by MERC (i.e. 10.30/kWh per unit for FY 19-20) and the balance would be billed to Rinfra. On disposal of the appeal in Rinfra's favour, AEML would reimburse the same to Rinfra. Further, Rinfra shall reimburse the shortfall, if any, to the Company on settlement of the above dispute. Rinfra has confirmed that it will reimburse the sales proceeds receivable from AEML amounting to Rs4,035 Lakhs (FY 2018-19: Rs 2,753 Lakhs).

**22) Default in repayment of outstanding dues to lenders**

The Company has availed long term financing facility from Asian Development Bank (ADB) and The Export-Import Bank of The United States (US Exim) for the project (Refer note 3.10 for details of loan availed and terms of payment). During the year ended March 31, 2020, installment of Rs 9,859 lakhs which includes interest of Rs. 2,592 lakhs (FY 2018-19 installment of Rs 3,082 lakhs which includes interest of Rs. 860 lakhs) due for payment on March 25, 2019, September 25, 2019 and March 25, 2020 (FY 2018-19 March 25, 2019) remains outstanding due to liquidity constraints. As per the terms of loan agreement, the Company is liable to pay penal interest till the balance is overdue and an event of default. In case of event of default, the lenders have a right to declare the loan fully payable immediately; the lenders have not called upon the Company to repay the loan immediately.

Based on the communication about planned payment schedule from Rinfra, RPower and as per the revised term sheet signed between Exim Bank and Samalkot Power Ltd (SPL) in which it is mentioned that 50% of the surplus from the sale of Unit 2 & 3 of SPL after meeting its Exim Bank Loan dues will be utilized to meet the mandatory prepayment of the lenders of the Dhursar Solar Power Ltd, the Company is confident of meeting all its obligations in the future and accordingly the financial statements are prepared on a going concern basis.

**Delay / Default in repayment of Borrowings (Non-current) and Interest**

The Company has delayed/defaulted in the payment of borrowings. The lender wise details are as under:

SN	Name of Lender	Borrowings				Interest			
		Delay in repayment during the year ended March 31, 2020		Default as at March 31, 2020		Delay in repayment during the year ended March 31, 2020		Default as at March 31, 2020	
		Amount (in lakhs)	Period (Maximum days)	Amount (in lakhs)	Period (Maximum days)	Amount (in lakhs)	Period (Maximum days)	Amount (in lakhs)	Period (Maximum days)
1	Asian Development Bank	-	-	2,879	372	127	371	1,397	372
2	US Exim	-	-	4,388	372	197	371	1,195	372
	<b>Total</b>	-	-	<b>7,267</b>		<b>324</b>		<b>2,592</b>	

- 23) The SARS-CoV-2 virus responsible for COVID-19 continues to spread across the globe and India. On March 11, 2020, the COVID-19 outbreak was declared a global pandemic by the World Health Organization. The Indian Government has taken various measures to contain the spread of virus including a strict lockdown, which was further extended across the country. 'Power generation and transmission units' is on the list of essential services. The COVID-19 outbreak has contributed to a decrease in global and local economic activities including power consumption. The extent to which the COVID-19 pandemic will impact the Company's results depend on future developments, which are uncertain, including, among other things, any new information concerning the severity of the COVID-19 pandemic and any action to contain its spread or mitigate its impact whether government mandated or elected by the Company.

**Dhursar Solar Power Private Limited**  
**Notes to the financial statements for the year ended March 31, 2020 (continued)**

**24)** The figures for the previous year are re-classified / re-grouped, wherever considered necessary.

As per our attached report of even date

**For Shridhar & Associates**  
Firm Registration No: 134427W  
Chartered Accountants

For and on behalf of the Board of Directors

**Jitendra Sawjany**  
Partner  
Membership No.050980

**Shrikant D Kulkarni**  
Director  
DIN Number: 05136399

**Manoj Pongde**  
Director  
DIN Number: 07728913

**Place : Mumbai**  
Date : May 01, 2020

**Place : Mumbai**  
Date : May 01, 2020