

## **INDEPENDENT AUDITOR'S REPORT**

To The Members of **ORIENT GREEN POWER (MAHARASHTRA) PRIVATE LIMITED**

### **Opinion on the IND AS Financial Statements**

We have audited the accompanying Ind AS financial statements of ORIENT GREEN POWER (MAHARASHTRA) PRIVATE LIMITED ("the Company"), which comprise the Balance Sheet as at 31<sup>st</sup> March, 2020, the Statement of Profit and Loss and statement of cash flows for the year ended, and notes to the financial statements, including a summary of the significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31<sup>st</sup> March, 2020, the loss, and its cash flows for the year ended on that date.

### **Basis for Opinion**

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Key Audit Matters**

Key audit matters are those matters that which are of most significance in our audit of the financial statements of the current period. These matters were identified by the statutory auditor of the holding Company, Orient Green Power Company Limited. 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.

In pursuance of the same, there are no significant observations with reference to the key audit matters identified.

### **Responsibility of Management for Financial Statements**

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

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

That Board of Directors is also responsible for overseeing the company's financial reporting process.

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

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.

As part of an audit in accordance with SAs, we exercise professional judgment and

maintain professional scepticism throughout the audit. We also:

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.

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

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

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

As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the "**Annexure B**" statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

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

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.

- a) 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
- b) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- c) In our opinion, the aforesaid Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- d) On the basis of the written representations received from the directors as on 31<sup>st</sup> March, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.
- e) 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 A**".
- f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Company does not have any pending litigations which would impact its financial position.

- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

**For M GOPAL & CO**  
**Chartered Accountants**  
**FRN: 000957S**

**Place: Chennai**  
**Date: 04<sup>th</sup> June,2020**  
**UDIN:20225561AAAAAX9614**

**Punit Kedia**  
**Partner**  
**M.No. 225561**

## **ANNEXURE "A" TO THE INDEPENDENT AUDITORS' REPORT**

(Referred to in our report of even date)

### **Report on the Internal Financial Controls 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 **ORIENT GREEN POWER (MAHARASHTRA) PRIVATE LIMITED** as of 31<sup>st</sup> March, 2020 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

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

2. The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### **Auditors' Responsibility**

3. Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting 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 judgment, including the assessment of the risks of material misstatement of the Ind AS 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 Company's internal financial controls system over financial reporting.

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

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**

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, the Company has, in all material respects, an adequate internal financial Control system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31<sup>st</sup> March 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 M GOPAL & CO**  
**Chartered Accountants**  
**FRN: 000957S**

**Place: Chennai**  
**Date: 04<sup>th</sup> June,2020**  
**UDIN:20225561AAAAAX9614**

**Punit Kedia**  
**Partner**  
**M.No. 225561**



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

(Referred to in our report of even date)

### **The Annexure referred to in paragraph 1 of Our Report on "Other Legal and Regulatory Requirements"**

We report that:

1. The Company does not have any Fixed Assets in its books. Thus provisions of Clause 3(i) are not applicable to the Company.
2. The Company does not hold any physical inventory during the current year. Thus provisions of Clause 3(ii) are not applicable to the Company.
3. According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has not granted any loans, secured or unsecured, to companies, firms or other parties listed in the register maintained under Section 189 of the Companies Act, 2013. Consequently, the provisions of clauses 3 iii (a) and iii (b) of the order are not applicable to the Company.
4. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, with respect to the loans and investments made.
5. The Company has not accepted any deposits from the public covered under sections 73 to 76 of the Companies Act, 2013.
6. As per the information & explanations given by the management, the Central Government has not prescribed the maintenance of cost records under section 148(1) of the Act, for any of the operations carried out by the Company.
7. a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the company has been generally regular in depositing undisputed statutory dues including Provident Fund, Employee State Insurance, Income-Tax, Goods and Services Tax, Duty of Customs, Cess and any other statutory dues with the appropriate authorities.

b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income tax, sales tax, value added tax, duty of customs, service tax, cess and other material statutory dues were in arrears as at 31<sup>st</sup> March 2020 for a period of more than six months from the date they became payable.

8. The Company does not have any loans or borrowings from any financial institution, banks, government or debenture holders during the year. Accordingly, paragraph 3(viii) of the Order is not applicable.
9. The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3 (ix) of the Order is not applicable.
10. According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
11. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not paid/provided for managerial remuneration. Accordingly, paragraph 3(xi) of the Order is not applicable.
12. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, paragraph 3(xii) of the Order is not applicable.
13. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the Ind AS financial statements as required by the applicable accounting standards.
14. According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.

15. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
16. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

**For M GOPAL & CO**  
**Chartered Accountants**  
**FRN: 000957S**

**Place: Chennai**  
**Date: 04<sup>th</sup> June,2020**  
**UDIN:20225561AAAAAX9614**

**Punit Kedia**  
**Partner**  
**M.No. 225561**

**ORIENT GREEN POWER (MAHARASHTRA) PRIVATE LIMITED**

CIN : U40105TN2015PTC102301

Balance Sheet as at 31 March, 2020

(All amounts are in Indian Rupees in lakhs unless otherwise stated)

Particulars		Note No.	As at 31-Mar-2020	As at 31-Mar-2019
<b>1</b>	<b>ASSETS</b>			
	<b>Non-Current Assets</b>			
	(a) Other Non Current Tax Assets	5	2.27	5.12
	<b>Total Non-Current Assets</b>		<b>2.27</b>	<b>5.12</b>
<b>2</b>	<b>Current Assets</b>			
	(a) Financial Assets			
	(i) Cash and Cash Equivalents	6	0.30	0.34
	(ii) Others	7	1,862.34	1,860.50
	<b>Total Current Assets</b>		<b>1,862.64</b>	<b>1,860.84</b>
	<b>TOTAL</b>		<b>1,864.91</b>	<b>1,865.96</b>
	<b>EQUITY AND LIABILITIES</b>			
<b>1</b>	<b>EQUITY</b>			
	(a) Equity Share Capital	8	1,900.00	1,900.00
	(b) Other Equity	9	(35.26)	(34.13)
	<b>Total Equity</b>		<b>1,864.74</b>	<b>1,865.87</b>
<b>2</b>	<b>LIABILITIES</b>			
	<b>(I) Current Liabilities</b>			
	(a) Financial Liabilities			
	(i) Trade Payables			
	-Total outstanding dues of micro & small enterprises		-	-
	-Total outstanding dues of creditors other than micro & small enterprises	10	0.16	0.09
	(b) Other Current Liabilities	11	0.01	-
	<b>Total Current Liabilities</b>		<b>0.17</b>	<b>0.09</b>
	<b>Total Liabilities</b>		<b>0.17</b>	<b>0.09</b>
	<b>TOTAL</b>		<b>1,864.91</b>	<b>1,865.96</b>

See accompanying notes forming part of the financial statements

In terms of our report attached

For M Gopal &amp; Co

Chartered Accountants

FRN no. 000957S

For and on behalf of the Board of Directors

D.Manikandan  
Director  
DIN:07701027V.Balaji  
Director  
DIN:08354201Punit Kedia  
Partner  
M No : 225561P.Srinivasan  
Company Secretary

Place: Chennai

Date : June 4, 2020

**ORIENT GREEN POWER (MAHARASHTRA) PRIVATE LIMITED**  
**CIN : U40105TN2015PTC102301**

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

*( All amounts are in Indian Rupees in lakhs unless otherwise stated)*

Particulars		Note No.	For year ended	For year ended
			31-Mar-20	31-Mar-19
<b>1</b>	Revenue from operations		-	-
<b>2</b>	Other income	12	0.23	0.04
<b>3</b>	<b>Total revenue (1+2)</b>		<b>0.23</b>	<b>0.04</b>
<b>4</b>	<b>Expenses</b>			
	(a) Employee benefits expense	13	0.01	0.02
	(b) Other expenses	14	1.35	1.59
	<b>Total expenses</b>		<b>1.36</b>	<b>1.61</b>
<b>5</b>	<b>(Loss) before tax and exceptional items (3 - 4)</b>		(1.13)	(1.57)
<b>6</b>	Exceptional items		-	-
<b>7</b>	<b>(Loss) before tax (5 - 6)</b>		(1.13)	(1.57)
<b>8</b>	<b>Tax expense:</b>			
	(a) Current tax expense		-	-
	(b) Deferred tax		-	-
<b>9</b>	<b>(Loss) after tax for the year (7-8)</b>		<b>(1.13)</b>	<b>(1.57)</b>
<b>10</b>	<b>Other Comprehensive Income</b>		-	-
<b>11</b>	<b>Total Comprehensive Income</b>		(1.13)	(1.57)
<b>12</b>	<b>Earnings per share of Rs. 10/- each ( In Rupees)</b>	16		
	(a) Basic		(0.01)	(0.01)
	(b) Diluted		(0.01)	(0.01)

See accompanying notes forming part of the financial statements

**In terms of our report attached**  
**For M Gopal & Co**  
**Chartered Accountants**  
**FRN no. 000957S**

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

**D.Manikandan**  
**Director**  
**DIN:07701027**

**V.Balaji**  
**Director**  
**DIN:08354201**

**Punit Kedia**  
**Partner**  
**M No: 225561**

**P.Srinivasan**  
**Company Secretary**

**Place: Chennai**  
**Date: June 4, 2020**

**ORIENT GREEN POWER (MAHARASHTRA) PRIVATE LIMITED**  
**Statement of Changes in Equity for the year ended 31 March 2020**

*(All amounts are in Indian Rupees in Lakhs unless otherwise stated)*

**A. Equity Share Capital**

Particulars	Amount
<b>Balance as at 01 April 2018</b>	<b>1,900.00</b>
Changes in equity share capital during the year	-
<b>Balance as at 31 March 2019</b>	<b>1,900.00</b>
Changes in equity share capital during the year	-
<b>Balance as at 31 March 2020</b>	<b>1,900.00</b>

**B. Other Equity**

Particulars	Share application money pending allotment	Reserves and Surplus	Total
		Retained Earnings	
<b>Balance as at 01 April 2018</b>	-	(32.56)	<b>(32.56)</b>
Loss for the year	-	(1.57)	<b>(1.57)</b>
<b>Total Comprehensive income for the year</b>	-	<b>(1.57)</b>	<b>(1.57)</b>
<b>Balance as at 31 March 2019</b>	-	<b>(34.13)</b>	<b>(34.13)</b>
<b>Balance as at 01 April 2019</b>	-	<b>(34.13)</b>	<b>(34.13)</b>
Loss for the year	-	(1.13)	<b>(1.13)</b>
<b>Total Comprehensive income for the year</b>	-	<b>(1.13)</b>	<b>(1.13)</b>
<b>Balance as at 31 March 2020</b>	-	<b>(35.26)</b>	<b>(35.26)</b>

See accompanying notes forming part of the financial statements

**In terms of our report attached**  
**For M Gopal & Co**  
**Chartered Accountants**  
**FRN no. 000957S**

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

**D.Manikandan**  
**Director**  
**DIN:07701027**

**V.Balaji**  
**Director**  
**DIN:08354201**

**Punit Kedia**  
**Partner**  
**M No : 225561**

**P.Srinivasan**  
**Company Secretary**

**Place: Chennai**  
**Date: June 4,2020**

<b>ORIENT GREEN POWER (MAHARASHTRA) PRIVATE LIMITED</b>		
<b>Cash Flow Statement for the year ended Mar 31, 2020</b>		
<i>(All amounts are in Indian Rupees in Lakhs unless otherwise stated)</i>		
<b>Particulars</b>	<b>For the Year Ended 31 March, 2020</b>	<b>For the Year Ended 31 March, 2019</b>
<b>A. Cash flow from operating activities</b>		
(Loss) before tax	(1.13)	(1.57)
Interest income	-	-
Operating Profit/(loss) before working capital/other changes	<b>(1.13)</b>	<b>(1.57)</b>
<i>Changes in working capital/others:</i>		
<i>Adjustments for (increase) / decrease in operating assets:</i>		
Trade receivables		
Other Non-Current Assets	2.85	-
<i>Adjustments for increase / (decrease) in operating liabilities:</i>		
Trade payables	0.06	(0.09)
Other financial liabilities (Current)	0.01	(0.05)
Cash (used in) operations	<b>1.79</b>	<b>(1.71)</b>
Net income tax (paid)	-	(0.04)
<b>Net cash flow (used in) / from operating activities (A)</b>	<b>1.79</b>	<b>(1.75)</b>
<b>B. Cash flow from investing activities</b>		
- Bank deposits	-	-
<b>Net cash flow (used in) investing activities (B)</b>	-	-
<b>C. Cash flow from financing activities</b>		
<i>Cash flows Items</i>		
Proceeds from issue of equity shares		
(Repayment) / Proceeds of other short-term borrowings	(1.83)	1.59
<b>Net cash flow from financing activities (C)</b>	<b>(1.83)</b>	<b>1.59</b>
<b>Net decrease in Cash and cash equivalents (A+B+C)</b>	<b>(0.04)</b>	<b>(0.15)</b>
Cash and cash equivalents at the beginning of the year	0.34	0.50
<b>Cash and cash equivalents at the end of the year</b>	<b>0.30</b>	<b>0.34</b>
<b>Reconciliation of Cash and cash equivalents with the Balance Sheet:</b>		
Cash and cash equivalents as per Balance Sheet	0.30	0.34
Cash and cash equivalents at the end of the year	<b>0.30</b>	<b>0.34</b>
<b>Cash and cash equivalents at the end of the year *</b>	<b>0.30</b>	<b>0.34</b>
* Comprises:		
(a) Cash on hand	0.02	0.02
(b) Balances with banks		
(i) In current accounts	0.28	0.32
	<b>0.30</b>	<b>0.34</b>
See accompanying notes forming part of the financial statements		
<b>In terms of our report attached</b>	<b>For and on behalf of the Board of Directors</b>	
<b>For M Gopal &amp; Co</b>		
<b>Chartered Accountants</b>		
<b>FRN no. 000957S</b>		
	<b>D.Manikandan</b>	<b>V.Balaji</b>
	<b>Director</b>	<b>Director</b>
	<b>DIN:07701027</b>	<b>DIN:08354201</b>
<b>Punit Kedia</b>		<b>P.Srinivasan</b>
<b>Partner</b>		<b>Company Secretary</b>
<b>M No : 225561</b>		
<b>Place: Chennai</b>		
<b>Date: June 4,2020</b>		

## **ORIENT GREEN POWER (MAHARASHTRA) PRIVATE LIMITED**

### **Notes forming part of financial statements for the year ended 31 March, 2020**

**( All amounts are in Indian Rupees in Lakhs unless otherwise stated)**

#### **1.General Information:**

ORIENT GREEN POWER(MAHARASHTRA) PRIVATE LIMITED ("the Company"), is a company incorporated in India having its registered office at No. 18/3 Sigapi Achi Building, Rukmani Lakshmipathy Road, Egmore, Chennai - 600 008. The Company is a subsidiary of Orient Green Power Company Limited (OGPL). The Company is engaged in the business of generation and sale of power using renewable energy sources (i.e., biomass)

#### **2.Applicability of new and revised Ind AS**

All the Indian Accounting Standards issued and notified by the Ministry of Corporate Affairs under the Companies (Indian Accounting Standards) Rules, 2015 (as amended) till the financial statements are authorised have been considered in preparing these financial statements. There are no new Indian Accounting Standards or amendments notified by the ministry of corporate affairs which would have been applicable from April 01,2020

#### **3. Significant Accounting Policies :**

##### **3.1 Statement of compliance**

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015. The accounting policies as set out below have been applied consistently to all years presented in these financial statements.

##### **3.2 Basis of preparation and presentation**

These financial statements have been prepared on the historical cost basis, except for certain financial instruments which are measured at fair values at the end of each reporting period, as explained in accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

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, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

(i) Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;



(ii) Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and

(iii) Level 3 inputs are unobservable inputs for the asset or liability.

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The principal accounting policies are set out below:

### **3.3 Inventories**

Stores and spares are valued at lower of cost and net realizable value. Cost is determined on a weighted average basis.

Allowance is made to the carrying amount of inventory based on Management's assessment/technical evaluation and past experience of the Company taking into account its age, usability, obsolescence, expected realisable value etc.

### **3.4 Cash Flow Statement**

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

### **3.5 Taxation**

Income tax expense represents the sum of the current tax and deferred tax.

#### **3.5.1 Current tax**

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the Statement of Profit and Loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using tax rates and laws that have been enacted or substantively enacted by the end of the reporting period.

#### **3.5.2 Deferred tax**

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the Financial Statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the deferred tax asset to be utilized.

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

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

### **3.5.3 Current and deferred tax for the year**

Current and deferred tax expense is recognised in the Statement of Profit and Loss.

When they relate to items that are recognised in other comprehensive income or directly in equity, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

### **3.5.4 Minimum Alternate Tax**

Minimum Alternate Tax ("MAT") credit is recognized as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. In the year, in which the MAT credit becomes eligible to be recognized as an asset in accordance with the provisions contained in the Guidance Note issued by Institute of Chartered Accountants of India (ICAI), the said asset is created by way of a credit to the Statement of Profit and Loss and shown as MAT credit entitlement. The Company reviews the same at each Balance Sheet date and writes down the carrying amount of MAT credit entitlement to the extent there is no longer convincing evidence that the Company will pay normal Income Tax during the specified period.

### **3.6 Property, plant and equipment (PPE)**

Property, plant and equipments are carried at cost less accumulated depreciation and impairment losses, if any. The cost of fixed assets comprises the purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable) and includes interest on borrowings attributable to acquisition of qualifying fixed assets up to the date the asset is ready for its intended use and other incidental expenses incurred up to that date. Subsequent expenditure relating to property, plant and equipment is capitalised only if such expenditure results in an increase in the future benefits from such asset beyond its previously assessed standard of performance.

Property, plant and equipments acquired and put to use for project purpose are capitalised and depreciation thereon is included in the project cost till the project is ready for its intended use.

Any part or components of property, plant and equipments which or separately identifiable and expected to have a useful life which is different from that of the main assets are capitalised separately, based on the technical assessment of the management.

Projects under which assets are not ready for their intended use and other capital work-in-progress are carried at cost, comprising direct cost, related incidental expenses and attributable interest

Property, plant and equipments retired from active use and held for sale are stated at the lower of their net book value and net realisable value and are disclosed separately.

Capital work in progress represents projects under which the property, plant and equipment's are not yet ready for their intended use and are carried at cost determined as aforesaid.

### **3.6.1 Depreciation**

Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value.

Depreciation on property, plant and equipment has been provided on the straight-line method as per the useful lives prescribed in Schedule II to the Companies Act, 2013.

Individual assets costing less than Rs. 5,000 each are depreciated in the year of purchase considering the type and usage pattern of these assets.

Depreciation is accelerated on property, plant and equipments, based on their condition, usability, etc. as per the technical estimates of the Management, where necessary.

### **3.7 Intangible assets**

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight line basis over the estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on prospective basis.

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

#### **Amortisation**

Intangible assets are amortized over the estimated useful life on straight line method.

### **3.8 Leases**

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

#### **Company as lessee**

The Company accounts for each lease component within the contract as a lease separately from non-lease components of the contract and allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

The Company recognises right-of-use asset representing its right to use the underlying asset for the lease term at the lease commencement date. The cost of the right of- use asset measured at inception shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement

date less any lease incentives received, plus any initial direct costs incurred and an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset or restoring the underlying asset or site on which it is located. The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any re-measurement of the lease liability. The right-of-use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right of- use asset. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. Right of- use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognised in the statement of profit and loss.

The Company measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Company uses incremental borrowing rate. For leases with reasonably similar characteristics, the Company, on a lease by lease basis, may adopt either the incremental borrowing rate specific to the lease or the incremental borrowing rate for the portfolio as a whole. The lease payments shall include fixed payments, variable lease payments, residual value guarantees, exercise price of a purchase option where the Company is reasonably certain to exercise that option and payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease. The lease liability is subsequently re-measured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and re-measuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments.

The Company recognises the amount of the re-measurement of lease liability due to modification as an adjustment to the right-of-use asset and statement of profit and loss depending upon the nature of modification. Where the carrying amount of the right of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Company recognises any remaining amount of the re-measurement in statement of profit and loss.

The Company has elected not to apply the requirements of Ind AS 116 Leases to short term leases of all assets that have a lease term of 12 months or less and leases for which the underlying asset is of low value. The lease payments associated with these leases are recognised as an expense on a straight-line basis over the lease term.

The Company chose to present Right of use assets along with the property plant and equipment, as if they were owned.

### **Company as a lessor**

At the inception of the lease the Company classifies each of its leases as either an operating lease or a finance lease. The Company recognises lease payments received under operating leases as income on a straight-line basis over the lease term. In case of a finance lease, finance income is recognised over the lease term based on a pattern reflecting a constant periodic rate of return on the lessor's net investment in the lease. When the Company is an intermediate lessor it accounts for its interests in the head

lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short term lease to which the Company applies the exemption described above, then it classifies the sub-lease as an operating lease.

If an arrangement contains lease and non-lease components, the Company applies Ind AS 115. Revenue from contracts with customers to allocate the consideration in the contract.

## **Company as a lessee**

### **Operating leases**

For transition, the Company has elected not to apply the requirements of Ind AS 116 to leases which are expiring within 12 months from the date of transition by class of asset and leases for which the underlying asset is of low value on a lease-by-lease basis. The

Company has also used the practical expedient provided by the standard when applying Ind AS 116 to leases previously classified as operating leases under Ind AS 17 and therefore, has not reassessed whether a contract, is or contains a lease, at the date of initial application, relied on its assessment of whether leases are onerous, applying Ind AS 37 immediately before the date of initial application as an alternative to performing an impairment review, excluded initial direct costs from measuring the right-of-use asset at the date of initial application and used hindsight when determining the lease term if the contract contains options to extend or terminate the lease. The Company has used a single discount rate to a portfolio of leases with similar characteristics.

## **3.9 Revenue**

Effective April 01, 2018, the Company adopted IND AS 115, 'Revenue from Contracts with Customers'. Modified retrospective method is adopted during the implementation of the standard. Application of this standard does not have any impact on the revenue recognition and measurement.

### **Revenue from Operations- Sale of Power**

The Company derives revenue primarily from Sale of power.

Revenue from the sale of power is recognised on the basis of the number of units of power exported, in accordance with joint meter readings undertaken on a monthly basis by representatives of the State Electricity Board and the company, at rates agreed upon with customers and when there is no uncertainty in realising the same. Transmission, System Operating and Wheeling/Other Charges payable to State Electricity Boards on sale of power is reduced from Revenue.

Revenue from the end of the last invoicing to the reporting date is recognized as unbilled revenue and are classified as contract assets.

The company accounts for volume discounts and pricing incentives to customers as a reduction of revenue based on the ratable allocation of the discounts/ incentives to each

of the underlying performance obligation that corresponds to the progress by the customer towards earning the discount/ incentive.

### **Other Operating Revenues**

#### **a.Revenue from Operations and Maintenance (O&M) Contracts**

Revenue from Windmill Operations and Maintenance (O&M) contracts are recognized, where the performance obligations are satisfied over time and where there is no uncertainty as to measurement or collectability of consideration and is recognized on prorate basis over the term of the underlying maintenance arrangement.

#### **b.Renewable Energy Certificate (REC) Income**

Income arising from REC is initially recognised in respect of the number of units of power exported at the minimum expected realisable value, determined based on the rates specified under the relevant regulations duly considering the entitlements as per the policy, industry specific developments, Management assessment etc, and when there is no uncertainty in realizing the same. The difference between the amount recognized initially and the amount realised on sale of such REC's at the Power Exchange are accounted for as and when such sale happens.

#### **c.Others**

(i) Income in the form of Generation Based Incentives are accounted for in the year of generation for eligible units when there is no uncertainty in receiving the same.

(ii) Income from services is recognized upon rendering services, in accordance with the terms of contract.

The Company presents revenues net of indirect taxes in its statement of Profit and loss.

#### **d.Other Income**

Dividend from investments is recognised when the shareholder's right to receive payment is established and it is probable that the economic benefits will flow to the Company and the amount can be measured reliably.

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

Insurance claims are accounted for on the basis of claims admitted/expected to be admitted and to the extent that the amount recoverable can be measured reliably and it is reasonable to expect ultimate collection.

### **3.10 Employee Benefits**

Employee benefits are accrued in the period in which the associated services are rendered by employees of the Company, as detailed below:

### **Defined contribution plans**

The Company's contribution to State Governed provident fund scheme, Employee State Insurance scheme and Employee pension scheme are considered as defined contribution plans and expenses are recognized in the Statement of Profit and Loss based on the amount of contribution required to be made and when services are rendered by the employees.

### **Defined benefit plans**

The cost of the defined benefit plans and the present value of the defined benefit obligation are recognised based on actuarial valuation as on the balance sheet date using the projected unit credit method. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The Company accrues for liability towards Gratuity which is a defined benefit plan. The present value of obligation under such defined benefit plan is determined based on actuarial valuation as at the balance sheet date, using the Projected Unit Credit Method. Actuarial gains and losses are recognized in the statement of Other comprehensive income in the period in which they occur and are not deferred.

### **Short Term benefits**

Short term employee benefits at the Balance Sheet date, including short term compensated absences, are recognized as an expense as per the Company's scheme based on expected obligations on an undiscounted basis.

### **Long term employee benefits**

The Company accounts for its liability towards long term compensated absences based on the actuarial valuation done as at the Balance Sheet date by an independent actuary using the Projected Unit Credit Method.

### **3.11 Foreign Currencies**

The functional currency of the Company is Indian Rupees which represents the currency of the primary economic environment in which it operates.

In preparing the financial statements, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency

are not retranslated. Exchange differences on monetary items are recognised in profit or loss in the period in which they arise except for:

(i) exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings.

### **3.12 Borrowing Costs**

Borrowing costs specifically identified to the acquisition or construction of qualifying assets is capitalized as part of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use. All other borrowing costs are charged to the Statement of Profit and Loss.

Capitalisation of borrowing costs is suspended and charged to the Statement of Profit and Loss during extended periods when active development activity on the qualifying assets is interrupted.

Interest income earned on temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization. Borrowing costs that are not directly attributable to a qualifying asset are recognised in the Statement of Profit or Loss using the effective interest method.

### **3.13 Financial instruments**

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

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

#### **3.13.1 Financial assets**

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

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

#### **Classification of financial assets**

Debt instruments that meet the following conditions are subsequently measured at amortised cost (except for debt instruments that are designated as at fair value through profit or loss on initial recognition):



- the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt instruments that meet the following conditions are subsequently measured at fair value through other comprehensive income (except for debt instruments that are designated as at fair value through profit or loss on initial recognition):

- the asset is held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Changes in the carrying amount of FVTOCI monetary financial assets relating to changes in foreign currency rates are recognised in profit or loss. Other changes in the carrying amount of FVTOCI financial assets are recognised in other comprehensive income and accumulated under the heading of 'Reserve for debt instruments through other comprehensive income'. When the investment is disposed of or is determined to be impaired, the cumulative gain or loss previously accumulated in this reserve is reclassified to profit or loss.

All other financial assets are subsequently measured at fair value.

### **Amortised cost and Effective interest method**

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL. Interest income is recognised in profit or loss and is included in the "Other income" line item.

### **Investments in equity instruments at FVTOCI**

On initial recognition, the Company can make an irrevocable election (on an instrument-by-instrument basis) to present the subsequent changes in fair value in other comprehensive income pertaining to investments in equity instruments. This election is not permitted if the equity investment is held for trading. These elected investments are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the 'Reserve for equity instruments through other comprehensive income'. The cumulative gain or loss is not reclassified to profit or loss on disposal of the investments.

A financial asset is held for trading if:

- It has been acquired principally for the purpose of selling it in the near term; or
- On initial recognition it is part of a portfolio of identified financial instruments that the Company manages together and has a recent actual pattern of short-term profit-taking; or
- It is a derivative that is not designated and effective as a hedging instrument or a financial guarantee.

Changes in the carrying amount of investments in equity instruments at FVTOCI relating to changes in foreign currency rates are recognised in other comprehensive income.

### **Impairment of financial assets**

Loss allowance for expected credit losses is recognised for financial assets measured at amortised cost and fair value through other comprehensive income.

Loss allowance equal to the lifetime expected credit losses is recognised if the credit risk on the financial instruments has significantly increased since initial recognition. For financial instruments whose credit risk has not significantly increased since initial recognition, loss allowance equal to twelve months expected credit losses is recognised.

### **Derecognition of financial assets**

The Company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or it transfers the financial asset and substantially all risks and rewards of ownership of the asset to another entity. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the assets and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing of the proceeds received.

## **3.13.2 Financial Liabilities and Equity Instruments**

### **Classification as debt or equity**

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

### **Equity instruments**

An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Equity instruments are recorded at the proceeds received, net of direct issue costs.

### **Financial Liabilities**

Trade and other payables are initially measured at fair value, net of transaction costs, and are subsequently measured at amortised cost, using the effective interest rate method.

Interest-bearing bank loans, overdrafts and issued debt are initially measured at fair value and are subsequently measured at amortised cost using the effective interest rate method. Any difference between the proceeds (net of transaction costs) and the settlement or redemption of borrowings is recognised over the term of the borrowings in accordance with the Company's accounting policy for borrowing costs.

### **Financial guarantee contracts**

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument.

Financial guarantee contracts issued by the Company are initially measured at their fair values and, if not designated as at FVTPL, are subsequently measured at the higher of:

- a. the amount of loss allowance determined in accordance with impairment requirements of Ind AS 109; and
- b. the amount initially recognised less, when appropriate, the cumulative amount of income recognised in accordance with the principles of Ind AS 115.

### **Derecognition of financial liabilities**

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in the Statement of Profit and Loss.

## **3.13.3 Derivative financial instruments and hedge accounting**

### **Initial recognition and subsequent measurement**

The Company uses derivative financial instruments, such as forward currency contracts to hedge its foreign currency risks.

Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Any gains or losses arising from changes in the fair value of derivatives are taken directly to profit or loss, except for the effective portion of cash flow hedges, which is recognised in OCI and later reclassified to profit or loss when the hedge item affects profit or loss.

### **For the purpose of hedge accounting, hedges are classified as:**

- Fair value hedges when hedging the exposure to changes in the fair value of a recognised asset or liability or an unrecognised firm commitment
- Cash flow hedges when hedging the exposure to variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability.

Hedges that meet the criteria for hedge accounting are accounted for, as described below:

**i) Fair value hedges:**

The change in the fair value of a hedging instrument is recognised in the statement of profit and loss as finance costs.

The change in the fair value of the hedged item attributable to the risk hedged is recorded as part of the carrying value of the hedged item and is also recognised in the statement of profit and loss as finance costs.

For fair value hedges relating to items carried at amortised cost, any adjustment to carrying value is amortised through profit or loss over the remaining term of the hedge using the EIR method. EIR amortisation may begin as soon as an adjustment exists and no later than when the hedged item ceases to be adjusted for changes in its fair value attributable to the risk being hedged.

If the hedged item is derecognised, the unamortised fair value is recognised immediately in profit or loss.

**ii) Cash flow hedges**

The effective portion of the gain or loss on the hedging instrument is recognised in OCI in the cash flow hedge reserve, while any ineffective portion is recognised immediately in the statement of profit and loss.

Amounts recognised as OCI are transferred to profit or loss when the hedged transaction affects profit or loss, such as when the hedged financial income or financial expense is recognised.

**3.14 Loans and advances to subsidiaries, fellow subsidiaries and associates**

Interest free loans/loans (extended at interest rates less than the Company's borrowing rate) provided to subsidiaries, fellow subsidiaries and associates are recognized at fair value on the date of disbursement and the difference on fair valuation is recognized as deemed investment in such subsidiary, fellow subsidiary/ associate. Such deemed investment is added to the carrying amount of investments, if any, in such subsidiary, fellow subsidiary/associate. Loans are accounted at amortized cost method using effective interest rate. If there is an early repayment of loan, the proportionate amount of the deemed investment recognized earlier shall be adjusted.

**3.15 Earnings Per Share**

Basic earnings per share are computed by dividing the net profit after tax by the weighted average number of equity shares outstanding during the period. Diluted earnings per share is computed by dividing the profit after tax by the weighted average number of equity shares considered for deriving basic earnings per share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares.

**3.16 Impairment of assets**

At each balance sheet date, the Company assesses whether there is any indication that any property, plant and equipment and intangible assets with finite lives may be impaired. If any such indication exists the recoverable amount of an asset is estimated to determine the extent of impairment, if any. The Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying value amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

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

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

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

Contingent assets are disclosed in the Financial Statements by way of notes to accounts when an inflow of economic benefits is probable.

Contingent liabilities are disclosed in the Financial Statements by way of notes to accounts, unless possibility of an outflow of resources embodying economic benefit is remote.

### **3.18 Operating Segment**

Operating segments reflect the Company's management structure and the way the financial information is regularly reviewed by the Company's Chief Operating Decision Maker (CODM). The CODM considers the business from both business and product perspective based on the dominant source, nature of risks and returns and the internal organisation and management structure. The operating segments are the segments for which separate financial information is available and for which operating profit / (loss) amounts are evaluated regularly by the executive Management in deciding how to allocate resources and in assessing performance.

The accounting policies adopted for segment reporting are in line with the accounting policies of the Company. Segment revenue, segment expenses, segment assets and segment liabilities have been identified to segments on the basis of their relationship to the operating activities of the segment.

Revenue, expenses, assets and liabilities which relate to the Company as a whole and are not allocable to segments on reasonable basis have been included under unallocated revenue / expenses / assets / liabilities.

### **3.19 Operating Cycle**

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in Notes. Based on the nature of products and services and the time between the acquisition of assets for processing and their realisation in cash and cash equivalent, the Company has ascertained its operating cycle as 12 months for the purpose of current and non-current classification of assets and liabilities.

### **4. Critical accounting assumptions :**

The preparation of financial statements in conformity with Ind AS requires management to make judgements, estimates and assumptions, that affect the application of accounting policies and the reported amounts of assets and liabilities, disclosures of contingent liabilities at the date of the financial statements and the reported amounts of revenue and expenses for the years presented. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

In particular, information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements pertain to:

#### **4.1 Useful lives of property, plant and equipment and intangible assets:**

The Company has estimated useful life of each class of assets based on the nature of assets, the estimated usage of the asset, the operating condition of the asset, past history of replacement, anticipated technological changes, etc. The Company reviews the carrying amount of property, plant and equipment and Intangible assets at the end of each reporting period. This reassessment may result in change in depreciation expense in future periods.

Depreciation on Property Plant and Equipment is provided pro-rata for the periods of use on the straight line method (SLM) on the basis of useful life of the property, plant and equipment mandated by Part C of Schedule II of the Companies Act, 2013 or the useful life determined by the company based on technical evaluation, whichever is lower, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, maintenance support, as per details given below:

Estimated useful life of the assets are as follows :-

<b>Description</b>	<b>Useful</b>
--------------------	---------------

	<b>Life</b>
Plant and Machinery	22 years
Office equipment	5 years
Computers	3 years

#### **4.2 Impairment of tangible and intangible assets other than goodwill**

Property, plant and equipment and Intangible assets are tested for impairment when events occur or changes in circumstances indicate that the recoverable amount of the cash generating unit is less than its carrying value. The recoverable amount of cash generating units is higher of value-in-use and fair value less cost to sell. The calculation involves use of significant estimates and assumptions which includes turnover and earnings multiples, growth rates and net margins used to calculate projected future cash flows, risk-adjusted discount rate, future economic and market conditions.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

At each Balance Sheet date, consideration is given to determine whether there is any indication of impairment of the carrying amount of the Company's assets. If any indication exists, estimation is made for the asset's recoverable amount, which is the greater of the net selling price and the value in use. An impairment loss, if any, is recognized whenever the carrying amount of an asset exceeds the recoverable amount.

Impairment losses of continuing operations, including impairment on inventories, if any, are recognized in profit or loss section of the statement of profit and loss.

#### **4.3 Application of interpretation for Service Concession Arrangements (SCA)**

Management has assessed applicability of Appendix A of Indian Accounting Standards 11: Service Concession Arrangements for the power purchase agreement which the company has entered into. In assessing the applicability of SCA, the management has exercised significant judgement in relation to the underlying ownership of the assets, the attached risks and rewards of ownership, residual interest and the fact that secondary lease periods are not at nominal lease rentals etc. in concluding that the arrangements don't meet the criteria for recognition as service concession arrangements.

#### **4.4 Determining whether an arrangement contain leases and classification of leases**

The Company enters into service / hiring arrangements for various assets / services. The determination of lease and classification of the service / hiring arrangement as a finance lease or operating lease is based on an assessment of several factors, including, but not limited to, transfer of ownership of leased asset at end of lease term, lessee's option to purchase and estimated certainty of exercise of such option, proportion of lease term to the asset's economic life, proportion of present value of minimum lease payments to fair value of leased asset and extent of specialized nature of the leased asset.

#### **4.5 Employee Benefits - Defined benefit obligation (DBO)**

Management's estimate of the DBO is based on a number of critical underlying assumptions such as standard rates of inflation, medical cost trends, mortality, discount rate and anticipation of future salary increases. Variation in these assumptions may significantly impact the DBO amount and the annual defined benefit expenses.



**ORIENT GREEN POWER (MAHARASHTRA) PRIVATE LIMITED**  
**Notes forming part of Financial Statements for the year ended 31 March, 2020**  
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**Note 5 : Other Non-Current Assets**

<b>Particulars</b>	<b>As at 31 March, 2020</b>	<b>As at 31 March, 2019</b>
(a) TDS Receivable	2.27	5.12
<b>Total</b>	<b>2.27</b>	<b>5.12</b>

**Note 6 : Cash and cash equivalents**

<b>Particulars</b>	<b>As at 31 March, 2020</b>	<b>As at 31 March, 2019</b>
(a) Balances with banks		
(i) In current accounts	0.28	0.32
(b) Cash in hand	0.02	0.02
<b>Total</b>	<b>0.30</b>	<b>0.34</b>

**Note 7 : Other Financial Asset (Current)**

<b>Particulars</b>	<b>As at 31 March, 2020</b>	<b>As at 31 March, 2019</b>
(a) Others		
- Other Advances	1,862.34	1,860.50
<b>Total</b>	<b>1,862.34</b>	<b>1,860.50</b>

**ORIENT GREEN POWER (MAHARASHTRA) PRIVATE LIMITED**  
**Notes forming part of Financial Statements for the year ended 31 March, 2020**  
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**Note 8 : Share Capital**

Particulars	As at 31 March, 2020		As at 31 March, 2019	
	Number of Shares	Amount in Lakhs	Number of Shares	Amount in Lakhs
(a) Authorised Equity shares of Rs. 10 each with voting rights Preference shares of Rs. 10 each with voting rights	200,00,000	2,000.00	200,00,000	2,000.00
(b) Issued Equity shares of Rs. 10 each with voting rights Preference shares of Rs. 10 each with voting rights	190,00,000 -	1,900.00 -	190,00,000 -	1,900.00 -
(c) Subscribed and fully paid up Equity shares of Rs.10 each with voting rights Preference shares of Rs. 10 each with voting rights	190,00,000 -	1,900.00 -	190,00,000 -	1,900.00 -
<b>Total</b>	<b>190,00,000</b>	<b>1,900.00</b>	<b>190,00,000</b>	<b>1,900.00</b>

**Notes:**

**(i) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period:**

Particulars	Opening Balance	Fresh issue	Closing Balance
Equity shares with voting rights			
Year ended 31 March, 2020			
- Number of shares	190,00,000	-	190,00,000
- Amount (Rs. In Lakhs)	1,900.00	-	1,900.00
Year ended 31 March, 2019			
- Number of shares	190,00,000	-	190,00,000
- Amount (Rs. In Lakhs)	1,900.00	-	1,900.00

**ii) Terms and Rights attached to equity shares**

i. The company has only one class of equity shares having a par value of Rs.10 each. Each shareholder of equity shares is entitled to one vote per share.

ii. In the event of liquidation, the equity shareholders will be entitled to receive the remaining assets of the company, after distribution of all preferential amounts, in proportion to shareholding. However, no such preferential amount exists as on the balance sheet date.

**(iii) Details of shares held by the holding company**

Particulars	Equity shares with voting rights
	Number of Shares
<b>As at 31 March, 2020</b> Orient Green Power Company Limited	190,00,000
<b>As at 31 March, 2019</b> Orient Green Power Company Limited	190,00,000

**(iv) Details of shares held by each shareholder holding more than 5% shares:**

Class of shares / Name of shareholder	As at 31 March, 2020		As at 31 March, 2019	
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
<b>Equity shares with voting rights</b> Orient Green Power Company Ltd, Holding Co & its Nominees	190,00,000	100%	190,00,000	100%

**ORIENT GREEN POWER (MAHARASHTRA) PRIVATE LIMITED**  
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**Note 9 : Other Equity**

Particulars	As at 31 March, 2020	As at 31 March, 2019
<b>(a) Surplus / (Deficit) in Statement of Profit and Loss</b>		
Opening balance	(34.13)	(32.56)
Add: (Loss) for the year	(1.13)	(1.57)
Less: Transfer to Reserves	-	-
Closing balance	(35.26)	(34.13)
<b>Total</b>	<b>(35.26)</b>	<b>(34.13)</b>

**Note 10 : Trade Payables**

Particulars	As at 31 March, 2020	As at 31 March, 2019
-Total outstanding dues of micro & small enterprises	-	-
-Total outstanding dues of creditors other than micro & small enterprises	0.16	0.09
<b>Total</b>	<b>0.16</b>	<b>0.09</b>

**Note:** As at 31 March, 2020 and 31 March, 2019, based on and to the extent of information available with the Company regarding the registration of suppliers as Micro and Small Enterprises under the Micro, Small and Medium Enterprises Development Act, 2006, there are no amounts outstanding in respect of these suppliers.

**Note 11 : Other Current Liabilities**

Particulars	As at 31 March, 2020	As at 31 March, 2019
(a) Statutory remittances	0.01	-
<b>Total</b>	<b>0.01</b>	<b>-</b>

**Note 12 : Other Income**

Particulars	For the year ended 31 March, 2020	For the year ended 31 March, 2019
(a) Other non-operating income	0.23	0.04
<b>Total</b>	<b>0.23</b>	<b>0.04</b>

**ORIENT GREEN POWER (MAHARASHTRA) PRIVATE LIMITED**  
**Notes forming part of Financial Statements for the year ended 31 March, 2020**  
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**Note 13 : Employee Benefit Expenses**

Particulars	For the year ended 31 March, 2020	For the year ended 31 March, 2019
(a) PF EDLI & Admin Charges	0.01	0.02
<b>Total</b>	<b>0.01</b>	<b>0.02</b>

**Note 14 : Other expenses**

Particulars	For the year ended 31 March, 2020	For the year ended 31 March, 2019
(a) Rates and taxes	0.12	0.11
(b) Legal and professional	0.85	1.11
(c) Payments to auditors	0.37	0.35
(d) Bank charges	0.01	0.01
<b>Total</b>	<b>1.35</b>	<b>1.59</b>

**Note 14 .1: Payments to the Auditors Comprises:**

Particulars	For the year ended 31 March, 2020	For the year ended 31 March, 2019
As Statutory Auditors	0.37	0.35
<b>Total</b>	<b>0.37</b>	<b>0.35</b>

**ORIENT GREEN POWER (MAHARASHTRA) PRIVATE LIMITED**  
**Notes forming part of Financial Statements for the year ended 31 Mar, 2020**  
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**Note 15 : Related Party Transactions**

Description of Relationship	Names of Related Parties	
	2019-20	2018-19
Holding Company	Orient Green Power Company Limited	Orient Green Power Company Limited
Fellow Subsidiary	Bharath Wind Farm Limited Gamma Green Power Private Limited Beta Wind Farm Private Limited Amrit Environmental Technologies Private Limited Orient Green Power (Europe), BV Statt Orient Energy Private Limited	Bharath Wind Farm Limited Gamma Green Power Private Limited Beta Wind Farm Private Limited Amrit Environmental Technologies Private Limited Orient Green Power (Europe), BV Statt Orient Energy Private Limited Biobijlee Green Power Limited
Step Down Subsidiary to Holding Company	Clarion Wind Farm Private Limited Vjetro Elektrana Crno Brdod.o.o, Croatia Orient Green Power Doo. Republic of Beta Wind Farm (Andhra Pradesh) Private Limited	Clarion Wind Farm Private Limited Vjetro Elektrana Crno Brdod.o.o, Croatia Orient Green Power Doo. Republic of Beta Wind Farm (Andhra Pradesh) Private Limited
Associate to Holding Company	Pallavi Power & Mines Limited	Pallavi Power & Mines Limited
Entities Exercising Significant Influence (EESI)	SVL Limited Janati Bio Power Private Limited	SVL Limited Janati Bio Power Private Limited
Note: Related parties have been identified by the Management.		

**Details of Related Party Transactions during the year ended 31 March, 2020 and balances outstanding As at 31 March, 2020:**

<b>(Amount in Rs. Lakhs)</b>				
Nature of Transaction	Related Parties	Relationship	2019-20	2018-19
<b>Transaction during the year :</b>				
Receipt of Advances	Orient Green Power Company Limited	Holding Company	1.83	1.59
<b>Nature of Balance Outstanding :</b>				
Receivables	Orient Green Power Company Limited	Holding Company	1,862.34	1,860.50
<b>Total</b>			<b>1,862.34</b>	<b>1,860.50</b>

**ORIENT GREEN POWER (MAHARASHTRA) PRIVATE LIMITED**  
**Notes forming part of Financial Statements for the year ended 31 Mar, 2020**  
*(All amounts are in Indian rupees in Lakhs unless otherwise stated)*

<b>16</b>	<b>Earnings Per Share</b>		
	<b>Particulars</b>	<b>Year ended 31 March, 2020</b>	<b>Year ended 31 March, 2019</b>
	<b>Earnings per share</b>		
	<u>Basic and Dilutive</u>		
	Loss for the year - Rupees in lakhs	(1.13)	(1.57)
	Weighted average number of equity shares - Numbers	190,00,000	190,00,000
	Par value per share - Rupees	10.00	10.00
	Earnings per share - Basic - Rupees	(0.01)	(0.01)
	Earnings per share - Diluted - Rupees	(0.01)	(0.01)
<b>17</b>	Events after the Reporting period - Nil		
<b>18</b>	The Board of Directors of the Company has reviewed the realisable value of all the current assets and has confirmed that the value of such assets in the ordinary course of business will not be less than the value at which these are recognized in the financial statements. In addition, the Board has also confirmed the carrying value of the non-current assets. The Board, duly taking into account all the relevant disclosures made, has approved these financial statements in its meeting held on June 4, 2020.		

**In terms of our report attached  
For M Gopal & Co  
Chartered Accountants  
FRN No. 000957S**

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

**Punit Kedia  
Partner  
M. No: 225561**

**D.Manikandan  
Director  
DIN: 07701027**

**V.Balaji  
Director  
DIN:08354201**

**P.Srinivasan  
Company Secretary**

**Place : Chennai  
Date : June 04, 2020**