AVAADA

# Fermi Solarfarms Private Limited

## Ninth Annual Report For Financial Year 2021-22

AVAADA

# Index


| Sr No. | Particulars | Page Nos. |
|---|---|---|
| 1. | Corporate Information | 1 |
| 2. | Notice of Ninth Annual General Meeting | 2-8 |
| 3. | Board's Report | 9-43 |
| 4. | Independent Auditor's Report on Standalone Financial Statements for the financial year 2021-22 | 44-55 |
| 5. | Standalone Financial Statements for the financial year 2021-22 | 56-91 |

# CORPORATE INFORMATION

**Registered Office:** 910/19, Suryakiran, Kasturba Gandhi Marg, New Delhi – 110001

**Corporate Office:** 406, Hubtown Solaris, N. S. Phadke Marg, Andheri (E), Mumbai – 400069

**Email:** fermisolarfarms@avaada.com

**Website:** https://avaadaenergy.com/fermi/

## BOARD OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

| | |
|---|---|
| Mr. Prashant Choubey (DIN: 08072225) | - Director |
| Mr. Ravi Kant Verma (DIN: 07299159) | - Director |
| Ms. Shweta Mankar (ACS 57398) *(Appointed w.e.f. December 23, 2021)* | - Company Secretary & Compliance Officer |

## AUDITORS:

### Statutory Auditor:

**M/s. Deloitte Haskins & Sells,**
**Chartered Accountants (FRN: 015125N)**
**Address:** 10th Floor, Building 10, Tower B,
DLF Cyber City Complex,
DLF City Phase-II, Gurgaon- 122001

### Secretarial Auditor:

**M/s. Deepak A. Variya & Co,**
**Practicing Company Secretaries**
**Address:** Office No. 305, Kaveri Commercial Premises, Co-op. Soc Ltd, Third Floor,
Sakinaka, Mumbai- 400072

### Internal Auditor:

**M/s. Acquisory Consulting LLP** *(F.Y. 2021-22)*
**M/s. Grant Thornton Bharat LLP** *(F.Y. 2022-23)*

### Cost Auditor:

**M/s. HCB & Co., the Cost Accountants**

## REGISTRAR & TRANSFER AGENT:

### For Equity

**Alankit Assignments Limited**
**Address:** 205-208, Anarkali Complex,
4E/2 Jhandewalan Extension,
New Delhi -110 055
Phone: 011-42541234/ 2354

### For Non Convertible Debentures (NCDs)

**Linkintime India Private Limited Address:** C 101,
247 Park, L B S Marg, Vikhroli (West),
Mumbai- 400083
Phone: +91 022- 49186000

## DEBENTURE TRUSTEE:

**Catalyst Trusteeship Limited**
**Address:** 810, 8th Floor, Kailash Building 26,
Kasturba Gandhi Marg, New Delhi - 110001
Phone: +91 (11) 43029101

**Correspondence Office:**
406, Hubtown Solaris,
N. S. Phadke Marg, Andheri (E),
Mumbai - 400069
T : +91-22-6140 8000

**Registered Office:**
910/19, Suryakiran,
Kasturba Gandhi Marg,
New Delhi – 110 001
T: +011-68172100
E:fermisolarfarms@avaada.com
www.avaadaenergy.com

## NOTICE

**NOTICE** is hereby given that the ninth annual general meeting of the members of Fermi Solarfarms Private Limited ("The Company") will be held on Monday, September 26, 2022 at 10.35 a.m. at 406, 4th Floor, Hubtown Solaris, N.S. Phadke Marg, Andheri (East), Mumbai – 400069, to transact the following business:

## ORDINARY BUSINESS:

1. To receive, consider and adopt the audited annual financial statements of the Company for the financial year ended March 31, 2022 together with the Reports of the Board of Directors and the Auditors thereon.

## SPECIAL BUSINESS:

2. **To ratify remuneration of M/s HCB & Co., the Cost Accountants as the Cost Auditors of the Company for the Financial Year 2022-23:**

   To consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution:**

   **"RESOLVED THAT** pursuant to the provisions of Section 148 and other applicable provisions of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 including any statutory modification(s) or re-enactment(s) thereof, for the time being in force, the members of the Company hereby ratify the remuneration of Rs. 25,000/- (Rupees Twenty Five Thousand Only) payable to M/s HCB & Co., the Cost Accountants, (Firm Registration Number-000525), who has been appointed by the Board of Directors as the Cost Auditors of the Company to conduct the audit of the cost records of the Company for the Financial Year 2022-23.

**Correspondence Office:**
406, Hubtown Solaris,
N. S. Phadke Marg, Andheri (E),
Mumbai - 400069
T : +91-22-6140 8000

**Registered Office:**
910/19, Suryakiran,
Kasturba Gandhi Marg,
New Delhi – 110 001
T: +011-68172100
E:fermisolarfarms@avaada.com
www.avaadaenergy.com

**RESOLVED FURTHER THAT** for the purpose of giving effect to this resolution, the Directors and the Company Secretary of the Company be and are hereby severally authorized to do all such acts, deeds and matters that may be required in this regard."

**By Order of the Board**
**For Fermi Solarfarms Private Limited**

**Shweta Mankar**
**Company Secretary**

**Place: Noida**
**Date: May 30, 2022**

**Correspondence Office:**
406, Hubtown Solaris,
N. S. Phadke Marg, Andheri (E),
Mumbai - 400069
T : +91-22-6140 8000

**Registered Office:**
910/19, Suryakiran,
Kasturba Gandhi Marg,
New Delhi – 110 001
T: +011-68172100
E:fermisolarfarms@avaada.com
www.avaadaenergy.com

NOTES:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.**
   Proxies, in order to be effective, should be duly stamped, completed, signed and deposited at the Registered Office of the Company not less than 48 hours before the Meeting.

2. Corporate Members intending to send their authorized representatives to attend the Meeting are requested to send to the Company a certified true copy of the Board resolution authorizing their representative to attend and vote on their behalf at the Meeting.

3. An explanatory statement pursuant to Section 102 of the Companies Act, 2013 relating to the Special Business to be transacted at the annual general meeting in respect of Item no. 2 is annexed hereto and forms part of the Notice.

**Fermi Solarfarms Private Limited**
CIN: U40106DL2013FTC248848

**Correspondence Office:**
406, Hubtown Solaris,
N. S. Phadke Marg, Andheri (E),
Mumbai - 400069
T : +91-22-6140 8000

**Registered Office:**
910/19, Suryakiran,
Kasturba Gandhi Marg,
New Delhi – 110 001
T: +011-68172100
E: fermisolarfarms@avaada.com
www.avaadaenergy.com

## EXPLANATORY STATEMENT PURSUANT TO SECTION 102 (1) OF THE COMPANIES ACT, 2013

### Item No. 2:

As the turnover of the Company during the Financial Year ended March 31, 2022 had exceeded Rs. 50 crores, in accordance with the provisions of Section 148 of the Companies Act, 2013, read with the Companies (Cost Records and Audit Rules) 2014 and other applicable provisions of the Companies Act, 2013, the Board of Directors in their meeting held on May 30, 2022 had approved the re-appointment of M/s HCB & Co., the Cost Accountants as the Cost Auditors for the financial year ending March 31, 2023 at an annual remuneration of Rs. 25,000/- (Rupees Twenty Five Thousand Only).

Further, in accordance with the said provisions of the Companies Act, 2013 and rules thereunder, the remuneration payable to the Cost Auditors as approved by the Board, needs to be ratified by the members of the Company.

Accordingly, ratification by the members is sought for the remuneration payable to the Cost Auditors for the financial year ending March 31, 2023 by approving the passing of an ordinary resolution as set out at Item No. 2 of the Notice.

None of the Directors or Key Managerial Personnel of the Company or their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution.

**By Order of the Board**
**For Fermi Solarfarms Private Limited**

**Shweta Mankar**
**Company Secretary**

**Place: Noida**
**Date: May 30, 2022**

# Fermi Solarfarms Private Limited
CIN: U40106DL2013FTC248848

**Correspondence Office:**
406, Hubtown Solaris,
N. S. Phadke Marg, Andheri (E),
Mumbai - 400069
T : +91-22-6140 8000

**Registered Office:**
910/19, Suryakiran,
Kasturba Gandhi Marg,
New Delhi – 110 001
T: +011-68172100
E:fermisolarfarms@avaada.com
www.avaadaenergy.com


## ATTENDANCE SLIP

*To be handed over at the entrance of the Meeting Hall*

9th Annual General Meeting

Monday, September 26, 2022 at 10.35 a.m

| | |
|---|---|
| Name of the Member(s) | |
| Registered address | |
| E-mail ID | |
| Folio No./DP ID-client ID | |
| No. of Shares | |

I/We certify that I/We am/are the registered Member(s)/Proxy for the registered Member(s) of the Company.

I/We hereby record my/our presence at the 9th annual general meeting of the Company held at406, 4th Floor, Hubtown Solaris, N.S. Phadke Marg, Andheri (East), Mumbai – 400069 on Monday, September 26, 2022 at 10.35 a.m.

-----------------------------------

Member's/Proxy Signature

Note: Please complete this slip and hand it over at the entrance of the Meeting venue.

---

**Correspondence Office:**
406, Hubtown Solaris,
N. S. Phadke Marg, Andheri (E),
Mumbai - 400069
T : +91-22-6140 8000

**Registered Office:**
910/19, Suryakiran,
Kasturba Gandhi Marg,
New Delhi – 110 001
T: +011-68172100
E: fermisolarfarms@avaada.com
www.avaadaenergy.com


## Form no. MGT-11
## Proxy Form

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Management and Administration Rules, 2014]

| | |
|---|---|
| CIN | U40106DL2013FTC248848 |
| Name of the Company | Fermi SolarfarmsPrivate Limited |
| Registered Office | 910/19, Suryakiran, Kasturba Gandhi Marg, New Delhi - 110 001 |
| Name of the member(s) | |
| Registered Address | |
| E-mail ID | |
| Folio No./Client ID | |
| DP ID | |

I/We, being the member(s) of _____________ shares of the above named Company, hereby appoint:

| | | |
|---|---|---|
| 1. | Name | Address<br>Signature: or failing him |
| 2. | Name | Address<br>Signature: or failing him |
| 3. | Name | Address<br>Signature: or failing him |

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 9th annual general meeting of the Company to be held on Monday, September 26, 2022 at 10.35 a.m. at 406, 4th Floor, Hubtown Solaris, N.S. Phadke Marg, Andheri (East), Mumbai - 400069 and at any adjournment thereof in respect of such resolutions as are indicated below:

**Fermi Solarfarms Private Limited**
CIN: U40106DL2013FTC248848

**Correspondence Office:**
406, Hubtown Solaris,
N. S. Phadke Marg, Andheri (E),
Mumbai - 400069
T : +91-22-6140 8000

**Registered Office:**
910/19, Suryakiran,
Kasturba Gandhi Marg,
New Delhi – 110 001
T: +011-68172100
E:fermisolarfarms@avaada.com
www.avaadaenergy.com

| Sr. No. of resolution | Particulars | For | Against |
|---|---|---|---|
| **Ordinary Resolution:** | | | |
| 1. | To receive, consider and adopt the audited annual financial statements of the Company for the financial year ended March 31, 2022 together with the Reports of the Board of Directors and the Auditors thereon | | |
| 2. | To ratify remuneration of M/s HCB & Co., the Cost Accountants as the Cost Auditors of the Company for the Financial Year 2022-23 | | |

Signed this ________ day of ______________ 2022

| |
|---|
| Affix<br>Revenue<br>Stamp |

Signature of shareholder

Signature of Proxy holder(s)

Notes:

*This form, in order to be effective, should be duly stamped, completed, signed and deposited at the registered office of the Company, not less than 48 hours before the commencement of the meeting.*

*Notwithstanding the above the Proxies can vote on such other items which may be tabled at the meeting by the shareholders present.*

**Fermi Solarfarms Private Limited**
CIN: U40106DL2013FTC248848

**Correspondence Office:**
406, Hubtown Solaris,
N. S. Phadke Marg, Andheri (E),
Mumbai - 400069
T : +91-22-6140 8000

**Registered Office:**
910/19, Suryakiran,
Kasturba Gandhi Marg,
New Delhi – 110 001
T: +011-68172100
E:fermisolarfarms@avaada.com
www.avaadaenergy.com

## BOARD's REPORT

**To,**
**The Members,**
**Fermi Solarfarms Private Limited ("the Company")**

On behalf of the Board of Directors, it is our pleasure to present the 9th Annual Report together with the Audited Financial Statements of the Company for the year ended March 31, 2022 as under:

### Financial Results and Business Review:

A summary of the comparative financial performance of the Company for Financial Years 2021-22 and 2020-21 is presented below:

**(Amount in INR millions)**

| Particulars | Financial Year ended | |
|---|---|---|
| | 31/03/2022 | 31/03/2021 |
| Revenue from Operations | 675.38 | 727.26 |
| Other Income | 38.51 | 67.85 |
| Total Income | 713.89 | 795.11 |
| Less: Expenditure | 172.16 | 131.17 |
| Profit/(loss) before Depreciation, Interest and Tax | 541.73 | 663.94 |
| Less: Depreciation and amortization expenses | 180.59 | 180.51 |
| Less: Interest on external borrowings | 282.23 | 349.48 |
| Profit/(loss) before exceptional and extraordinary items | 78.91 | 133.95 |
| Less: Exceptional and extraordinary items | - | - |
| **Profit/(loss) before Tax (PBT)** | **78.91** | **133.95** |
| Provision for Income Tax<br>(i) Current Tax<br>(ii) Deferred Tax<br>(iii) MAT credit | <br>-<br>50.92<br> | <br>-<br>41.14<br>- |
| **Net Profit/(Loss) after Tax (PAT)** | **27.99** | **92.81** |

The Company has 80 MW (AC) Solar Power Project operational at Chalisgaon in the State of Maharashtra. The Company's revenue from operations during the year was

**Correspondence Office:**
406, Hubtown Solaris,
N. S. Phadke Marg, Andheri (E),
Mumbai - 400069
T : +91-22-6140 8000

**Registered Office:**
910/19, Suryakiran,
Kasturba Gandhi Marg,
New Delhi – 110 001
T: +011-68172100
E:fermisolarfarms@avaada.com
www.avaadaenergy.com


INR 675.38 millions as compared to revenue of INR 727.26 millions in the previous year, whereas profit before tax of the Company was INR 78.91 millions as compared to the profit before tax of INR 133.95 millions in the previous year.

Further, the Company's net profit after tax was INR 27.99 millions as compared to net profit after tax of INR 92.81 millions in the last year.

### Dividend:

To strengthen the financial position of the Company and to augment working capital, your Directors do not recommend any dividend for the year 2021-22.

### Reserves:

The Company do not wish to transfer any amount of its profits earned during the year to any specific reserves and wishes to plough back the profits for growth of the Company.

### Details of Subsidiary/Joint Ventures/Associate Companies:

Your Company continues to be the Subsidiary Company of Avaada Energy Private Limited. Further, the Company has no subsidiary or associates or joint ventures during the said period.

### Renewable Energy Outlook:

#### COVID-19 Economic Stimulus and Performance of Power Sector in India

India, as a nation, has stood firmly to manage the unprecedented challenge caused by COVID-19. The management model adopted at the national and the state level, has been well lauded nationally and internationally during these trying times for planning and execution. The second wave has caught the nation unaware with its rapidity and magnitude. India stood strong and has not witnessed a breakdown in the supply chain of health infrastructure despite the effect of the virus.

**Correspondence Office:**
406, Hubtown Solaris,
N. S. Phadke Marg, Andheri (E),
Mumbai - 400069
T : +91-22-6140 8000

**Registered Office:**
910/19, Suryakiran,
Kasturba Gandhi Marg,
New Delhi – 110 001
T: +011-68172100
E:fermisolarfarms@avaada.com
www.avaadaenergy.com

Unarguably, the second wave of the COVID pandemic was more severe and electricity being an essential service, the Government was expected to support the local communities, administration and Government machinery in the battle against the Pandemic through seamless 24X7 electricity service.

The second wave of COVID-19 showed its devastating effect mainly in the month of April-May 2021. The response to the second wave was handled by the state governments by implementing lockdowns and closing their borders. As all efforts were being made to maintain reliability of power system even during COVID-19 pandemic, the all India lockdown for containment of COVID-19 from 25th March 2020 onwards had resulted in reduction of all India Electricity Demand by 25-30% as compared to the same period in 2019 due to shutting down of a large chunk of industrial, commercial and traction loads. Subsequently, with gradual removal of lock down and re-opening of the country's economy, the electricity demand started recovering. However, due to the second wave of the pandemic which started in April 2021, many states re-imposed lockdowns but due to the decentralized nature of lockdowns, impact on all India demand was lower than first wave.

Against the backdrop of the unprecedented impact of the COVID-19 pandemic on the economy, the government introduced a stimulus package under the Atmanirbhar Bharat scheme to revive economic growth and make the country self-reliant. In the last tranche of the stimulus package, the government increased the borrowing limit of the states from 3% to 5% of the gross state domestic product (GSDP).

Whereas Government of India have duly recognized COVID-19 Pandemic as an event of Force Majeure in the Contracts/Agreements signed for execution of power/ renewable energy projects and granted extension in timelines for completion of the projects; during first wave (FY 2020-21) the blanket extension was granted for five months and upto six months on case to case basis and during the second wave, extension was granted for seventy six (76) days.

## Renewable Energy Prospect in India

The Indian renewable energy sector is the fourth most attractive renewable energy market in the world. India was ranked fourth in wind power, fifth in solar power and fourth in renewable power installed capacity, as of 2020.

Installed renewable power generation capacity has gained pace over the past few years, posting a CAGR of 17.33% between FY 16-20. With the increased support of Government and improved economics, the sector has become attractive from investors perspective. As India looks to meet its energy demand on its own, which is expected to reach 15,820 TWh by 2040, renewable energy is set to play an important role. The government plans to establish renewable energy capacity of 523 GW (including 73 GW from Hydro) by 2030.

The renewable energy sector outlook for the year 2022 is bright despite the COVID-19 disruptions. The sector has certainly found the path to recovery with a steady improvement in power demand and recovery in economic activities. The sun is shining bright on the Indian power sector with the share of renewable energy constantly on the rise in the country's total energy mix.

**Market Size for Renewable Energy in India**

| **Programme/Scheme wise Cumulative Physical Progress as on April, 2022** | | |
|---|---|---|
| **Sector** | **FY- 2022-23** **Achievements (April 2022)** | **Cumulative Achievements (as on 30th-April-2022)** |
| **I. Installed RE Capacity (CAPACITIES IN MW)** | | |
| Wind Power | 170.50 | 40528.08 |
| Solar Power* | 1341.10 | 55337.66 |
| Small Hydro Power | 2.00 | 4850.90 |
| Biomass (Bagasse) Cogeneration | 0.00 | 9433.56 |
| Biomass (non-bagasse) Cogeneration | 0.00 | 772.05 |
| Waste to Power | 0.00 | 223.14 |
| Waste to Energy (off-grid) | 0.00 | 253.61 |
| **Total** | **1513.60** | **111399.00** |

India is targeting about 450 Gigawatt (GW) of installed renewable energy capacity by 2030 – about 280 GW (over 60%) is expected from solar. The renewable energy capacity addition stood at 8.2 GW for the first eight months of FY22 against 3.4 GW

**Correspondence Office:**
406, Hubtown Solaris,
N. S. Phadke Marg, Andheri (E),
Mumbai - 400069
T : +91-22-6140 8000

**Registered Office:**
910/19, Suryakiran,
Kasturba Gandhi Marg,
New Delhi – 110 001
T: +011-68172100
E:fermisolarfarms@avaada.com
www.avaadaenergy.com

for the first eight months of FY21. ICRA expects renewable energy capacity addition of 12.5 GW in FY22 and 16 GW in FY23.

Solar power installed capacity has increased by more than 18 times from 2.63 GW in March 2014 to 49.3 GW at the end of 2021. In FY22, till December 2021, India has added 7.4 GW of solar power capacity, up 335% from 1.73 GW in the previous year. Off-grid solar power is growing at a fast pace in India, with sales of 329,000 off-grid solar products in the first half of 2021.

With a potential capacity of 363 GW and with policies focused on the renewable energy sector, Northern India is expected to become the hub for renewable energy in India.

## Investments and Developments

According to the data released by Department for Promotion of Industry and Internal Trade (DPIIT), FDI inflow in the Indian non-conventional energy sector stood at US$ 11.21 billion between April 2000-December 2021. More than INR 5.2 lakh crore (US$ 70 billion) has been invested in India's renewable energy sector since 2014. According to the analytics firm British Business Energy, India ranked 3rd globally in terms of its renewable energy investments and plans in 2020.

Some major investments and developments in the Indian renewable energy sector are as follows:

- India ranked third on the EY Renewable Energy Country Attractive Index 2021;
- In February 2022, Creduce Technologies-HCPL JV announced winning the bid for India's single largest hydro power carbon credits project with Satluj Jal Vidyut Nigam, which will create more than 80 million carbon credits;
- In February 2022, Husk Power Systems, a renewable energy company working towards rural electrification, secured a US$ 4.2 million loan from the Indian Renewable Energy Development Agency (IREDA);

**Correspondence Office:**
406, Hubtown Solaris,
N. S. Phadke Marg, Andheri (E),
Mumbai - 400069
T : +91-22-6140 8000

**Registered Office:**
910/19, Suryakiran,
Kasturba Gandhi Marg,
New Delhi – 110 001
T: +011-68172100
E:fermisolarfarms@avaada.com
www.avaadaenergy.com

- In December 2021, India's largest energy provider, Tata Power, was awarded a contract by the Maharashtra State Electricity Distribution Company Limited (MSEDCL) to set up a 300 MW wind-solar hybrid power plant;

- In October 2021, Reliance New Energy Solar Ltd. (RNESL) announced two acquisitions to build more capabilities. Both acquisitions – REC Solar Holdings AS (REC Group), a Norway-based firm, and Sterling & Wilson Solar, based in India – exceeded US$ 1 billion and are expected to contribute to Reliance's target of achieving the capacity of 100 GW of solar energy at Jamnagar by 2030;

- In October 2021, Adani Green Energy Ltd. (AGEL) acquired SB Energy India for US$ 3.5 billion to strengthen its position in the renewable energy sector in India;

- In August 2021, Copenhagen Infrastructure Partners (CIP) signed an investment agreement with Amp Energy India Private Limited to facilitate joint equity investments of US$ 200 million across Indian renewable energy projects;

- In July 2021, National Thermal Power Corporation Renewable Energy Ltd. (NTPC REL), NTPC's fully owned subsidiary, sent out a tender to domestic manufacturers to build India's first green hydrogen fueling station in Leh, Ladakh;

- In June 2021, Reliance Industries announced investments upto INR 75,000 crore (US$ 10.07 billion) in the green energy segment;

- In June 2021, Suzlon secured a contract for 252 MW wind power project from CLP India. The project is expected to be commissioned in 2022;

- In June 2021, Tata Power Solar secured a contract worth INR 686 crore (US$ 93.58 million) from the NTPC to build 210 MW projects in Gujarat;

- In May 2021, Virescent Infrastructure, a renewable energy platform, acquired 76% of India's solar asset portfolio of Singapore-based Sindicatum Renewable Energy Company Pte Ltd.;

- In April 2021, GE Power India's approved the acquisition of 50% stake in NTPC GE Power Services Pvt. Ltd. for Rs 7.2 crore (US$ 0.96 million);

**Correspondence Office:**
406, Hubtown Solaris,
N. S. Phadke Marg, Andheri (E),
Mumbai - 400069
T : +91-22-6140 8000

**Registered Office:**
910/19, Suryakiran,
Kasturba Gandhi Marg,
New Delhi – 110 001
T: +011-68172100
E:fermisolarfarms@avaada.com
www.avaadaenergy.com

- The NTPC is expected to commission India's largest floating solar power plant in Ramagundam, Telangana by May-June 2022. The expected total installed capacity is 447MW; and

- The Solar Energy Corporation of India (SECI) implemented large-scale central auctions for solar parks and has awarded contracts for 47 parks with over 25 GW of combined capacity.

## Government initiatives

Some initiatives by Government of India to boost India's renewable energy sector are as follows:

### • Electricity (Rights of Consumers) Rules, 2020

The Ministry of Power has notified Electricity (Rights of Consumers) Rules, 2020 on 31.12.2020 under section 176 of the Electricity Act, 2003. These Rules shall empower the consumers of electricity and emanate from the conviction that the power systems exist to serve the consumers and the consumers have rights to get the reliable services and quality electricity.

Implementation of these Rules shall ensure that new electricity connections, refunds and other services are given in a time bound manner. Wilful disregard to consumer rights will result in levying penalties on service providers.

An amendment to Electricity (Rights of Consumers) Rules, 2020 was also notified on 29.09.2021 wherein the limit for net metering was increased to 500KW from 10KW.

### • Late Payment Surcharge Rules 2021

Electricity (Late Payment Surcharge) Rules, 2021 have been notified by the Central Government on 22nd February, 2021. Late Payment Surcharge means the charges payable by a distribution company to a generating company or electricity trader for power procured from it, or by a user of a transmission system to a transmission licensee on account of delay in payment of monthly charges beyond

**Correspondence Office:**
406, Hubtown Solaris,
N. S. Phadke Marg, Andheri (E),
Mumbai - 400069
T : +91-22-6140 8000

**Registered Office:**
910/19, Suryakiran,
Kasturba Gandhi Marg,
New Delhi – 110 001
T: +011-68172100
E:fermisolarfarms@avaada.com
www.avaadaenergy.com

the due date. Late Payment Surcharge shall be payable on the payment outstanding after the due date at the base rate of Late Payment Surcharge applicable for the period for the first month of default.

- Waiver of ISTS Transmission Charges and Losses for Solar & Wind Power

In Order to promote generation from renewable sources of energy, Ministry of Power has issued an Order on 5th August 2020 for extension of waiver of Inter State Transmission System (ISTS) charges and losses for transmission of the electricity generated from solar and wind projects commissioned till 30th June 2023. Further an order was issued on 21.06.2021 for extension of waiver of Inter State Transmission System (ISTS) charges for transmission of the electricity generated from solar and wind projects up to 30.06.2025. Moreover vide this order the waiver of ISTS charges shall also be allowed for Hydro Pumped Storage Plant(PSP) and Battery Energy Storage System(BESS).

- Issuance of Renewable Purchase Obligations (RPO) Trajectory

Long term RPO growth trajectory for the period 2016-17 to 2018-19 was notified by Ministry of Power on 22.7.2016. An order on RPO Trajectory for a further period of three years i.e. from 2019-20 to 2021-22 under the provisions of Tariff Policy has been issued by Ministry of Power on 14.06.2018. In super-session of orders dated 22.7.2016 and 14.06.2018, Ministry of Power has specified new RPO trajectory vide order dated 29.01.2021. Trajectory for HPO has also been issued through this order.

This would help in meeting the renewable energy generation targets set by the Central Government.

- Introduction of Green Day Ahead Market (GDAM)

Green Day Ahead Market (GDAM) is a marketplace for trading of renewable power on a day-ahead basis. This would facilitate accomplishment of green targets as well as support integration of green energy in a most efficient, competitive and transparent manner. GDAM was launched on 25.10.2021.

**Correspondence Office:**
406, Hubtown Solaris,
N. S. Phadke Marg, Andheri (E),
Mumbai - 400069
T : +91-22-6140 8000

**Registered Office:**
910/19, Suryakiran,
Kasturba Gandhi Marg,
New Delhi – 110 001
T: +011-68172100
E:fermisolarfarms@avaada.com
www.avaadaenergy.com

The Green day Ahead Market will be available through the Power Exchanges. The GDAM market structure will be within the existing Day Ahead Market (DAM) structure but will create a separate clearing mechanism and price discovery for renewable and conventional energy sources.

It will give opportunity to the RE generators to sell their power and reduce curtailment and also the buyer of RE to transparently purchase green power from the market. It would also facilitate the obligated entities to meet its Renewable Purchase Obligation (RPO).

- Electricity (Timely Recovery of Costs due to Change in Law) Rules, 2021

Timely recovery of the costs due to change in law is having importance as the investment in the power sector largely depends upon the timely payments. At present the pass through under change of law is taking a lot of time, forcing the drying of the investment in the power sector. If payment is not made in time, it impacts the viability of the sector and the developers get financially stressed. If this is not addressed now, the investment will not come and the electricity consumers may face shortages of power once again. In order to address this issue, Ministry of Power has notified Electricity (Timely Recovery of Costs due to Change in Law) Rules, 2021 on 22.10.2021.

- Electricity (Promotion of generation of Electricity from Must-Run Power Plant) Rules, 2021

Ministry of Power has notified Electricity (Promotion of generation of Electricity from Must-Run Power Plant) Rules, 2021 on 22.10.2021 to help in promotion of the generation from renewable sources. This will ensure that the consumers get green and clean power and secure a healthy environment for the future generation.

- Implementation of Phase- 1 of Market Based Economic Despatch (MBED)

With the objective of redesigning of present market mechanism for lowering the cost of power purchase to the Consumers, Framework for Implementation of Phase 1 of Market Based Economic Despatch (MBED) wherein mandatory participation by ISGS (Inter State Generation Stations) plants and voluntary

**Correspondence Office:**
406, Hubtown Solaris,
N. S. Phadke Marg, Andheri (E),
Mumbai - 400069
T : +91-22-6140 8000

**Registered Office:**
910/19, Suryakiran,
Kasturba Gandhi Marg,
New Delhi – 110 001
T: +011-68172100
E:fermisolarfarms@avaada.com
www.avaadaenergy.com

participation by other generators, was communicated to CERC for implementation from 1st April, 2022.

- Redesigning the Renewable Energy Certificate (REC) Mechanism

Ministry of Power assent was given to make amendment in the existing Renewable Energy Certificate (REC) mechanism, in order to align the present REC mechanism with the emerging changes in the power scenario and also to promote new renewable technologies.

- In the Union Budget 2022-23, the allocation for the Solar Energy Corporation of India (SECI), which is currently responsible for the development of the entire renewable energy sector, stood at INR 1,000 crores (US$ 132 million)
- In the Budget, the government allocated INR 19,500 crore (US$ 2.57 billion) for a PLI scheme to boost manufacturing of high-efficiency solar modules
- In February 2022, Nepal and India agreed to form a Joint Hydro Development Committee to explore the possibility of viable hydropower projects
- In November 2021, at the COP-26 Summit in Glasgow, Prime Minister Mr. Narendra Modi made a promise to increase India's renewable energy generation capacity to 500 GW, and meet 50% of India's energy needs through renewable means by the year 2030
- In October 2021, the Ministry of Power announced a new set of rules aimed at reducing financial stress for stakeholders and safeguarding timely cost recovery in electricity generation
- In August 2021, the Indian government proposed new rules for the purchase and consumption of green energy. The latest rules are a part of government measures to encourage large-scale energy consumers, including industries, to leverage renewable energy sources for regular operations
- In July 2021, to encourage rooftop solar (RTS) throughout the country, notably in rural regions, the Ministry of New and Renewable Energy plans to undertake

Rooftop Solar Programme Phase II, which aims to install RTS capacity of 4,000 MW in the residential sector by 2022 with a provision of subsidy

- In July 2021, the Ministry of New and Renewable Energy (MNRE) gave the go ahead to NTPC Renewable Energy Ltd., a 100% subsidiary of NTPC, to build a 4,750 MW renewable energy park at the Rann of Kutch in Khavada, Gujarat. This will be India's largest solar park to be developed by the country's leading power producer

- In June 2021, India launched the Mission Innovation CleanTech Exchange, a global initiative that will create a whole network of incubators across member countries to accelerate clean energy innovation

- In June 2021, Indian Renewable Energy Development Agency Ltd. (IREDA) invited bids from solar module manufacturers for setting up solar manufacturing units under the central government's INR 4,500 crore (US$ 616.76 million) Production Linked Incentive (PLI) scheme

- In April 2021, the Central Electricity Authority (CEA) and CEEW's Centre for Energy Finance (CEEW-CEF) jointly launched the India Renewables Dashboard that provides detailed operational information on renewable energy (RE) projects in India

- In April 2021, the Ministry of Power (MoP) released the draft National Electricity Policy (NEP) 2021 and has invited suggestions from all stakeholders such as Central Public Sector Undertakings, Solar Energy Corporation of India, power transmission companies, financial institutions like Reserve Bank of India, Indian Renewable Energy Development Agency, HDFC Bank, ICICI Bank, industrial, solar, and wind associations and state governments

- The Government of India has announced plans to implement a US$ 238 million National Mission on advanced ultra-supercritical technologies for cleaner coal utilisation

- Indian Railways is taking increased efforts through sustained energy efficient measures and maximum use of clean fuel to cut down emission level by 33% by 2030 and

**Correspondence Office:**
406, Hubtown Solaris,
N. S. Phadke Marg, Andheri (E),
Mumbai - 400069
T : +91-22-6140 8000

**Registered Office:**
910/19, Suryakiran,
Kasturba Gandhi Marg,
New Delhi – 110 001
T: +011-68172100
E:fermisolarfarms@avaada.com
www.avaadaenergy.com


- The government has spent US$ 4.63 billion on hydroelectric projects to provide electricity to villages in Jammu and Kashmir from 2018-21.

## Road Ahead

The Government is committed to increased use of clean energy sources and is already undertaking various large-scale sustainable power projects and promoting green energy heavily. In addition, renewable energy has the potential to create many employment opportunities at all levels, especially in rural areas. India's renewable energy sector is expected to attract investment worth US$ 80 billion in the next four years. About 5,000 compressed biogas plants will be set up across India by 2023.

In 2022, India's renewable energy sector is expected to boom with a likely investment of US$ 15 billion this year, as the government focuses on electric vehicles, green hydrogen and manufacturing of solar equipment.

It is expected that by 2040, around 49% of the total electricity will be generated by renewable energy as more efficient batteries will be used to store electricity, which will further cut the solar energy cost by 66% as compared to the current cost. Use of renewables in place of coal will save India INR 54,000 crore (US$ 8.43 billion) annually.

As per the Central Electricity Authority (CEA) estimates, by 2029-30, the share of renewable energy generation would increase from 18% to 44%, while that of thermal is expected to reduce from 78% to 52%.

The Government of India wants to develop a 'green city' in every state of the country, powered by renewable energy. The 'green city' will mainstream environment-friendly power through solar rooftop systems on all its houses, solar parks on the city's outskirts, waste to energy plants and electric mobility-enabled public transport systems.

**Correspondence Office:**
406, Hubtown Solaris,
N. S. Phadke Marg, Andheri (E),
Mumbai - 400069
T : +91-22-6140 8000

**Registered Office:**
910/19, Suryakiran,
Kasturba Gandhi Marg,
New Delhi – 110 001
T: +011-68172100
E:fermisolarfarms@avaada.com
www.avaadaenergy.com

## Capital and Debt Structure:

### (a) Authorized Share Capital

During the year under review, there has not been any change in the authorized share capital of your Company. The authorized share capital of your Company as of March 31, 2022 was INR 50,00,00,000 divided into 5,00,00,000 equity shares of INR 10/- each.

### (b) Issued and Paid-up Share Capital

During the period under review, there has not been any change in the issued and paid-up share capital of your Company. The issued and paid-up equity share capital of your Company as of March 31, 2022 was INR 1,61,69,840 divided into 16,16,984 equity shares of INR 10/- each.

### (c) Fully Compulsorily Convertible Debentures (FCCDs)

During the year under review, there was no change in the Fully Compulsorily Convertible Debentures of your Company. The quantum of FCCDs was INR 75,92,82,000 divided into 7,59,282 FCCDs of INR 1000/- each.

### (d) Issue of 3,370 Green Bonds/ Non-Convertible Debentures of INR 10,00,000/- each on private placement basis

During the year under review, for the purpose of refinancing of existing financial indebtedness of the Company availed from the existing lenders and promoter loans, payment of capital creditors and various purpose in the normal course of business, your Company had issued and allotted 3,370 Secured, Redeemable, Rated, Listed, Non-Convertible Debentures ('NCDs') of the face value of INR 10,00,000/- each on March 2, 2022 aggregating up to INR 3,37,00,00,000/- on a private placement basis with 6.75 % p.a.p.q. coupon rate for a tenure of 2 years 363 days. Further, Catalyst Trusteeship Limited is the Debenture Trustee to the issue.

**Correspondence Office:**
406, Hubtown Solaris,
N. S. Phadke Marg, Andheri (E),
Mumbai - 400069
T : +91-22-6140 8000

**Registered Office:**
910/19, Suryakiran,
Kasturba Gandhi Marg,
New Delhi – 110 001
T: +011-68172100
E:fermisolarfarms@avaada.com
www.avaadaenergy.com

Further, NCDs are secured by way of mortgage/charge against certain assets of the Company and the asset cover in respect of these NCDs exceed hundred percent of the principal amount of the said NCDs as of March 31, 2022.

### (e) Listing of Non-Convertible Debentures on Stock Exchange

The Non-Convertible Debentures of the Company were listed on the wholesale debt market (WDM) of BSE Ltd on March 7, 2022.

### (f) Credit Rating

The credit rating details of the Company as on March 31, 2022 was as follows:

| Rating Agency | Type of Instrument | Credit Rating |
|---|---|---|
| CRISIL Ratings Limited | Non-Convertible Debentures | CRISIL AAA/Stable |

## Disclosures under SEBI Operational Circular:

### Large Corporate Disclosure

As the maturity of NCDs is for a period of more than one year and have a credit rating of CRISIL AAA/Stable, the Company would be considered as a 'Large Corporate' as per SEBI's Operational Circular dated August 10, 2021. Further, there was no incremental borrowing by the Company during the financial year ended March 31, 2022.

Further disclosures applicable to green debt securities under SEBI Operational Circular is attached herewith as **Annexure I.**

## Vigil Mechanism (Whistle Blower Policy):

The Company has established a Vigil Mechanism and adopted Vigil Mechanism Policy that enables the directors and group employees to bring to the attention of the management any issue which is perceived to be in violation of or in conflict with the fundamental business principles of the Company.

The Vigil Mechanism provides for (a) adequate safeguards against victimization of persons who use the Vigil Mechanism; and (b) direct access to the Board of Directors of the Company or any authorized person in appropriate or exceptional cases.

The Vigil Mechanism Policy is uploaded on the webpage of the Company at https://avaadaenergy.com/fermi/img/Annexure%204%20%20Vigil%20Mechanism%20Policy-FSPL.pdf

**Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information (Fair Disclosure Policy):**

During the year under review, pursuant to Regulation 8(1) of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015) read with Regulation 51(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, the Company has established the Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information to ensure timely, fair and adequate disclosure of Unpublished Price Sensitive Information ("UPSI"). The Fair Disclosure Policy is uploaded on the webpage of the Company at https://avaadaenergy.com/fermi/img/Fair%20Disclosure%20policy_Fermi%20Solar.pdf

**Policy on Preservation and Archival of Documents:**

Further, pursuant to provisions of Regulation 9 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, the Company has adopted the Policy on Preservation and Archival of Documents to aid the employees in handling the documents efficiently either in physical form or in electronic form. It covers various aspects on preservation of the documents, archival of the same and safe disposal/destruction of the documents. The Policy on Preservation and Archival of Documents is uploaded on the webpage of the Company at https://avaadaenergy.com/fermi/img/Preservation%20and%20Archival%20of%20Documents_Fermi%20Solar.pdf

**Correspondence Office:**
406, Hubtown Solaris,
N. S. Phadke Marg, Andheri (E),
Mumbai - 400069
T : +91-22-6140 8000

**Registered Office:**
910/19, Suryakiran,
Kasturba Gandhi Marg,
New Delhi – 110 001
T: +011-68172100
E:fermisolarfarms@avaada.com
www.avaadaenergy.com

## Deposits:

The Company has not accepted any deposits within the meaning of Section 73 of the Companies Act, 2013 read with the Companies (Acceptance of Deposits) Rules, 2014 and any amendments thereto.

## Auditors and Auditors' Report:

M/s Deloitte Haskins & Sells, the Chartered Accountants (FRN: 015125N) were appointed as the Statutory Auditors of the Company at the annual general meeting held on September 28, 2020 for a term of five (5) years i.e. from financial year 2020-21 to financial year 2024-25 on such remuneration as may be mutually agreed upon between the Board of Directors of the Company and the Statutory Auditors at a later date.

The notes to the financial statements referred to in the Auditors' Report are self-explanatory. Further, there are no reservations, adverse remarks or qualifications in the Auditors' Report and therefore do not call for any clarification or comments under Section 134 of the Companies Act 2013. The Auditor's Report is enclosed with the financial statements in this Annual Report.

## Internal Auditor:

The Board of Directors of the Company had appointed Acquisory Consulting LLP as the Internal Auditors of the Company to conduct the Internal Audit for the Financial Year 2021-22, and the scope, functioning, periodicity and methodology for conducting internal audit was approved by the Board of Directors.

## Cost Auditor:

Your Company has re-appointed M/s HCB & Co, the Cost Accountants (Firm Registration No.000525) to conduct audit of cost records of the Company for the year ended on March 31, 2022 in accordance with the provisions of Section 148 of the Companies Act, 2013 read with the Companies (Cost Records and Audit) Rules, 2014.

**Correspondence Office:**
406, Hubtown Solaris,
N. S. Phadke Marg, Andheri (E),
Mumbai - 400069
T : +91-22-6140 8000

**Registered Office:**
910/19, Suryakiran,
Kasturba Gandhi Marg,
New Delhi – 110 001
T: +011-68172100
E:fermisolarfarms@avaada.com
www.avaadaenergy.com

The Cost Audit Report for the year 2020-21 was filed within the due date with the Ministry of Corporate Affairs. The Company has maintained the cost accounts and records in accordance with Section 148 of the Companies Act, 2013 and Rule 8 of the Companies (Accounts) Rules, 2014.

Further, M/s HCB & Co, the Cost Accountants (Firm Registration No. 000525) have been reappointed as the Cost Auditors of the Company for Financial Year 2022-23. As per the provisions of the Companies Act, 2013, the remuneration payable to the cost auditor is subject to ratification by the members of the Company.

**Secretarial Auditor:**

Your Company has appointed M/s Deepak A. Variya & Co., Practicing Company Secretary (Certificate of Practice Number: 10111) as the Secretarial Auditor to undertake the Secretarial Audit of the Company for the Financial Year 2021-22 in accordance with the provisions of Section 204 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Amendment Rules, 2020. The Secretarial Audit report in Form MR-3 is attached herewith as **Annexure II.** There were no qualifications, reservation or adverse remarks given by the Secretarial Auditor in the Secretarial Audit Report of the Company.

Further, M/s Deepak A. Variya & Co., Practicing Company Secretary have been reappointed as the Secretarial Auditor of the Company by the Board for Financial Year 2022-23.

**Alteration of Article of Association of The Company:**

During the year under review, to safeguard the interests of the debentureholders including right to appoint the nominee director in accordance with terms agreed under the debenture trust deed executed with Catalyst Trusteeship Limited, new Articles 25A and Article 53A were inserted to incorporate the agreed terms.

**Correspondence Office:**
406, Hubtown Solaris,
N. S. Phadke Marg, Andheri (E),
Mumbai - 400069
T : +91-22-6140 8000

**Registered Office:**
910/19, Suryakiran,
Kasturba Gandhi Marg,
New Delhi – 110 001
T: +011-68172100
E:fermisolarfarms@avaada.com
www.avaadaenergy.com

## Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo:

As the Company is not engaged in the manufacturing activity through itself, the provisions of Section 134 (3) of the Companies Act 2013 read with Rule 8 of the Companies (Accounts) Rules 2013 regarding disclosure of particulars with respect to conservation of energy and technology absorption are not applicable to your Company.

Further, there is no foreign exchange earnings and foreign exchange outgo on account of import of services is INR 0.019 million.

## Change in Board of Directors and Key Managerial Personnel:

There has been no change in the composition of the Board of Directors of the Company and the present directors of the Company are Mr. Ravi Kant Verma and Mr. Prashant Choubey.

Further, Ms. Shweta Mankar was appointed as the Company Secretary and Compliance Officer of the Company in compliance with the provisions of Regulation 6 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 with effect from December 23, 2021.

## Number of Meetings of the Board of Directors and Attendance of Directors:

Ten (10) meetings of the Board of Directors were held during the period viz. on July 30, 2021, September 18, 2021, October 14, 2021, December 8, 2021, December 23, 2021, February 1, 2022, February 17, 2022, February 18, 2022, March 2, 2022 and March 29, 2022 and the intervening gap between any two meetings was within the period prescribed by the Companies Act, 2013:

**Correspondence Office:**
406, Hubtown Solaris,
N. S. Phadke Marg, Andheri (E),
Mumbai - 400069
T : +91-22-6140 8000

**Registered Office:**
910/19, Suryakiran,
Kasturba Gandhi Marg,
New Delhi – 110 001
T: +011-68172100
E:fermisolarfarms@avaada.com
www.avaadaenergy.com

| Directors / Date of Board Meetings | Mr. Prashant Choubey | Mr. Ravi Kant Verma |
|---|---|---|
| July 30, 2021 | Attended | Attended |
| September 18, 2021 | Attended | Attended |
| October 14, 2021 | Attended | Attended |
| December 8, 2021 | Attended | Attended |
| December 23, 2021 | Attended | Attended |
| February 1, 2022 | Attended | Attended |
| February 17, 2022 | Attended | Attended |
| February 18, 2022 | Attended | Attended |
| March 2, 2022 | Attended | Attended |
| March 29, 2022 | Attended | Attended |
| **% of attendance** | **100%** | **100%** |

**Board Evaluation:**

Since the Company was a private limited company during the period from April 1, 2021 till March 31, 2022, the disclosure on annual evaluation of the performance was not applicable to the Company.

**Corporate Social Responsibility Committee of The Board of Directors:**

Your Company had constituted the Corporate Social Responsibility Committee in accordance with the provisions of Section 135 of the Companies Act, 2013 and the composition of the Corporate Social Responsibility Committee was as follows:

1. Mr. Prashant Choubey
2. Mr. Ravi Kant Verma

One (1) meeting of the Corporate Social Responsibility Committee of the Board of Directors was held during the year viz on June 7, 2021 and the attendance of the Committee members was as under:

**Correspondence Office:**
406, Hubtown Solaris,
N. S. Phadke Marg, Andheri (E),
Mumbai - 400069
T : +91-22-6140 8000

**Registered Office:**
910/19, Suryakiran,
Kasturba Gandhi Marg,
New Delhi – 110 001
T: +011-68172100
E:fermisolarfarms@avaada.com
www.avaadaenergy.com

| Directors / Date of CSR Committee Meetings | Mr. Prashant Choubey | Mr. Ravi Kant Verma |
|---|---|---|
| June 7, 2021 | Attended | Attended |
| **% of attendance in person** | **100%** | **100%** |

Further, pursuant to the amendment to the provisions of Section 135 of the Companies Act, 2013 vide the Companies (Amendment) Act, 2020 read with the Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021, if the annual CSR obligation of any Company does not exceed Rupees Fifty Lakhs, the Company would no longer fall under the criteria for constituting and continuing with the Corporate Social Responsibility Committee. Thus, the Corporate Social Responsibility Committee of the Board was dissolved by the Board at their meeting held on September 18, 2021 and it was decided that the functions earlier delegated to the said Committee would be discharged by the Board going forward.

**Corporate Social Responsibility (CSR) Policy:**

Pursuant to the provisions of Section 135 of the Companies Act, 2013 vide the Companies (Amendment) Act, 2020 read with the Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021, the Company had adopted Corporate Social Responsibility (CSR) Policy on April 1, 2021. The CSR Policy is pasted on the webpage of the Company and the weblink to the same is https://avaadaenergy.com/fermi/img/Annexure%205%20-%20CSR%20Policy-FSPL.pdf

**Corporate Social Responsibility Initiatives:**

The Board of Directors had granted its approval to undertake its Corporate Social Responsibility (CSR) activities through Avaada Foundation, Avaada Group Section 8 Company incorporated for the purpose pursuant to the collaboration agreement for Corporate Social Responsibility activities executed between Avaada Foundation, Avaada Ventures Private Limited and Avaada Energy Private Limited and Deed of Adherence executed between Avaada Foundation, Avaada Ventures Private

**Correspondence Office:**
406, Hubtown Solaris,
N. S. Phadke Marg, Andheri (E),
Mumbai - 400069
T : +91-22-6140 8000

**Registered Office:**
910/19, Suryakiran,
Kasturba Gandhi Marg,
New Delhi – 110 001
T: +011-68172100
E:fermisolarfarms@avaada.com
www.avaadaenergy.com

Limited, Avaada Energy Private Limited and the Subsidiaries of Avaada Energy Private Limited.

In accordance with the proposed CSR Action Plan during the Financial Year 2021-22, Avaada Foundation undertook the social development activities in Satara, Solapur, Buldhana, Amaravati and Chalisgaon Districts of Maharashtra State in the area of preventive health care as under:

| Sr No | Focus Areas | CSR Programs | Locations | Lives Touched |
|---|---|---|---|---|
| 1. | Preventive Healthcare/ Covidcare Support | Food grains & ration support to daily wages workers & marginal community during second wave of Corona Pandemic | Satara, Solapur, Buldhana and Amaravati Districts, Maharashtra | 2,100 families |
| | | Distribution of safety masks & sanitizers in rural community to make the society aware about prevention and spreading of corona cases in the community | Chalisgaon District, Maharashtra | 7,000 Safety Masks & 350 Liter Sanitizer distributed in rural community |
| | | Setting up of Covid Care Center for the prevention & better treatment of corona affected patients | Solapur and Amaravati Districts, Maharashtra | 125 Covid patients |

The annual report on CSR activities undertaken is attached herewith as **Annexure III.**

**Particulars of Loans given, Investments made, Guarantees given and Securities provided:**

Your Company is engaged in provision of infrastructural facilities, therefore exempted from compliance of provisions of Section 186 of Companies Act, 2013 and rules thereunder.

**Correspondence Office:**
406, Hubtown Solaris,
N. S. Phadke Marg, Andheri (E),
Mumbai - 400069
T : +91-22-6140 8000

**Registered Office:**
910/19, Suryakiran,
Kasturba Gandhi Marg,
New Delhi – 110 001
T: +011-68172100
E:fermisolarfarms@avaada.com
www.avaadaenergy.com

**Particulars of Contracts or Arrangements with Related Parties:**

All the arrangements or transactions with related parties were in compliance with the provisions of the Companies Act, 2013 and rules thereunder. There were no material contracts or arrangements or transactions with related parties during the period under review.

**Material Changes and Commitments, if any, affecting the financial position of the Company, which have occurred between the end of the financial year of the Company to which the financial statements relate and the date of the report:**

No material changes and commitments occurred between the end of the Financial Year of the Company i.e. March 31, 2022 to which the financial statements relate and the date of this report which effects the financial position of the Company.

**Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information (Fair Disclosure Policy):**

There are no such significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and the Company's operations at present and in future.

**Compliance with Secretarial Standards:**

The Company has complied with the Secretarial Standards issued by the Institute of Company Secretaries of India on Board Meetings and General Meetings as applicable to the Company.

**Annual Return:**

Pursuant to Section 134(3)(a) and Section 92(3) of the Companies Act, 2013 read with Rule 12(1) of the Companies (Management and Administration) Rules, 2014, the draft Annual Return as on March 31, 2022 in Form No. MGT-7, is available on the Company's webpage and can be accessed at the weblink: https://avaadaenergy.com/fermi/

**Correspondence Office:**
406, Hubtown Solaris,
N. S. Phadke Marg, Andheri (E),
Mumbai - 400069
T : +91-22-6140 8000

**Registered Office:**
910/19, Suryakiran,
Kasturba Gandhi Marg,
New Delhi – 110 001
T: +011-68172100
E:fermisolarfarms@avaada.com
www.avaadaenergy.com

## Risk Management:

The Company is managing its risks through well-defined internal financial controls and there are no risks that may threaten the existence of the Company. The Company has formulated entry level controls for risk management in the Company. It identifies the components of risk evaluation and the principles based on which the controls have been formulated.

## Internal Control System:

Your Company has in place adequate internal control system with reference to adherence to policies and procedures for ensuring the orderly and efficient conduct of business, safeguarding of its assets, prevention and detection of frauds and errors, accuracy and completeness of the accounting records and timely preparation of reliable financial information.

## Directors' Responsibility Statement:

Pursuant to Section 134(3)(c) of the Companies Act, 2013, the Directors confirm that:

1. in the preparation of annual accounts for the period ended March 31, 2022, the applicable accounting standards have been followed and there are no material departures from the same;
2. they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2022 and of the profit of the Company for that period;
3. they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
4. the annual accounts have been prepared on a going concern basis; and
5. they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

**Correspondence Office:**
406, Hubtown Solaris,
N. S. Phadke Marg, Andheri (E),
Mumbai - 400069
T : +91-22-6140 8000

**Registered Office:**
910/19, Suryakiran,
Kasturba Gandhi Marg,
New Delhi – 110 001
T: +011-68172100
E:fermisolarfarms@avaada.com
www.avaadaenergy.com

## Acknowledgements:

Your Board wishes to place on record their appreciation for the cooperation and support received from members and stakeholders towards the growth and prosperity of your Company and look forward to their continued support.

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

| | | |
|---|---|---|
| | **Prashant Choubey** | **Ravi Kant Verma** |
| **Date : May 30, 2022** | **Director** | **Director** |
| **Place : Noida** | **DIN: 08072225** | **DIN: 07299159** |

**Correspondence Office:**
406, Hubtown Solaris,
N. S. Phadke Marg, Andheri (E),
Mumbai - 400069
T : +91-22-6140 8000

**Registered Office:**
910/19, Suryakiran,
Kasturba Gandhi Marg,
New Delhi – 110 001
T: +011-68172100
E:fermisolarfarms@avaada.com
www.avaadaenergy.com


**Annexure I**

## Disclosures applicable to Green Debt Securities under SEBI Operational Circular

### 1. List of project(s) and/ or asset(s) to which proceeds of the Green Debt Securities have been allocated/invested including a brief description of such project(s):

The amount of INR 3,370 millions raised by issuance of green debt securities has been fully allocated for re-financing of "Eligible Green Projects" as defined in the Green Bond framework i.e. for existing 80 MW solar electricity generation facilities/plant of the Company operational in the State of Maharashtra wherein 100% of electricity generated from the said plant is derived from solar energy resources. Thus, the Company has utilized the proceeds from the issue of green debt securities viz. non-convertible debentures ('NCDs') for the purpose for which these proceeds have been raised.

### 2. Environmental impact of the Project(s) in which the proceeds from issue of Green Bonds have been invested:

The said Solar Plant had a significant impact in terms of avoidance of emissions of carbon dioxide (CO2) apart from other air pollutants associated with energy generation. The CO2 emission reductions on account of said Solar Plant of the Company during the Financial Year (FY) 2021-22 are shared below:

| Sr. No | Project Type | Capacity (in MW) | Annual Generation (MWh/year) | Projected emission reduction (CO2/year) |
|---|---|---|---|---|
| 1 | Solar PV Project | 80 | 1,51,849 | 1,41,280 |

### 3. Methods and the key underlying assumptions used in preparation of the performance indicators and metrics and compliance with globally accepted standard(s) for measurement of the environmental impact:

All the data presented in the above table is based on the monthly factual data collection. For $CO_2$ eq emission reduction, combined margin grid emission factor is taken from

**Correspondence Office:**
406, Hubtown Solaris,
N. S. Phadke Marg, Andheri (E),
Mumbai - 400069
T : +91-22-6140 8000

**Registered Office:**
910/19, Suryakiran,
Kasturba Gandhi Marg,
New Delhi – 110 001
T: +011-68172100
E:fermisolarfarms@avaada.com
www.avaadaenergy.com

$CO_2$ baseline database version 17, October 2021, published by Central Electricity Authority (CEA), Government of India.

The Company follows the International Financial Corporation (IFC) performance standards, 2012 to comply with environmental and social management system.

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

| | | |
|---|---|---|
| | **Prashant Choubey** | **Ravi Kant Verma** |
| **Date : May 30, 2022** | **Director** | **Director** |
| **Place : Noida** | **DIN: 08072225** | **DIN: 07299159** |

DEEPAK A. VARIYA & CO.

Practising Company Secretary

Deepak A Variya (B.Com., F.C.S.) LL.B

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2022

*[Pursuant to section 204(1) of the Companies Act, 2013 and RuleNo.9 of the Companies (Appointment and Remuneration Personnel)Rules, 2014]*

**To,**
**The Members,**
**FERMI SOLARFARMS PRIVATE LIMITED**
**CIN: U40106DL2013FTC248848**
**Registered office:910/19, Suryakiran,**
**Kasturba Gandhi Marg, New Delhi -110001, India**

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **FERMI SOLARFARMS PRIVATE LIMITED (hereinafter called "the company")**. Secretarial Audit was conducted in a manner that provided us areasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on **31st March, 2022 ("Audit Period")** complied with the statutory provisions listed hereunder and also that the Company has proper board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on **31st March, 2022** according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the rules made there under;
(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

DEEPAK A. VARIYA & CO. C.P. No. 10111 M. No. 8830 MUMBAI



Off.: 305, Kaveri Commercial Building, 3rd Floor, Jagannath Temple Road, Near Holiday Inn Hotel, Sakinaka Metro Station, Mumbai-400072
Cell: 92233 19777/ 95943 19777/ Tel.: 022-41209777/ 022-28522923, Email: deepak.variya1302@gmail.com

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings **(Not applicable to the Company during Audit Period)**

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') to the extent applicable to the Company:

a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;

d. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;

e. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;

f. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;

g. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

h. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and

i. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;

(vi) In respect of other laws specifically applicable to the Company, the below-mentioned other law is specifically applicable to the Company:
a) Electricity Act, 2003;

We have also examined compliance with the applicable clauses of the following:

(i) Secretarial Standards with regard to Meeting of Board of Directors (SS-1) and General Meeting (SS-2) issued by The Institute of Company Secretaries of India.

(ii) The Listing Agreement entered into by the Company with BSE Limited.

DEEPAK A. VARIYA & CO. C.P. No. 10111 M. No. 8830 MUMBAI

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

We have relied on information/ records produced by the Company during the course of my audit and the reporting is limited to that extent.

**We further report that**

Board of Directors of the Company is duly constituted. There were no changes in the composition of the Board of Directors during the period under review.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and in case of shorter notice, consent of board members was obtained and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views, if any, are captured and recorded as part of the minutes.

**We further report that** there are adequate systems and processes in the Company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

**We further report that** during the audit period Company has issued and allotted 3370 rated, listed, secured, redeemable, non-convertible debentures of a face value of INR. 10,00,000/- each aggregating to INR. 3,37,00,00,000/- on a Private Placement basis.

**We further report that** during the audit period there were no following specific events/actions having a major bearing on the company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc.

(i) Public/ preferential issue of shares /sweat equity, etc.
(ii) Redemption / buy-back of securities
(iii) Major decisions taken by the members in pursuance to Section 180 of the Companies Act, 2013(**The Company being a private company is exempt from compliance of the provisions of Section 180 of the Companies Act, 2013).**
(iv) Merger / amalgamation / reconstruction, etc.
(v) Foreign technical collaborations.

This report is to be read with our letter of even date, which is annexed as **ANNEXURE-I**, and it forms an integral part of this report.

**For DEEPAK A. VARIYA & CO.**
**COMPANY SECRETARIES**

DEEPAK A. VARIYA & CO. C.P. No. 10111 M. No. 8830 MUMBAI

**Place: Mumbai**
**Date: 30th May, 2022**
**UDIN: F008830D000437491**

**Deepak A. Variya**
**Proprietor**
**C.P. No. 10111**

ANNEXURE - I

To,
The Members,
FERMI SOLARFARMS PRIVATE LIMITED
CIN: U40106DL2013FTC248848
Registered office Address:910/19, Suryakiran,
Kasturba Gandhi Marg, New Delhi -110001,
Delhi, India

Our report of even date is to be read along with this letter.

1. Maintenance of Secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.

2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial Records. The verification was done on the test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.

3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.

4. Wherever required, we have obtained the Management Representation about the compliance of laws, rules and regulations and happening of events etc.

5. The compliance of the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.

6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted/ will conduct the affairs of the Company.

For DEEPAK A. VARIYA & CO.
COMPANY SECRETARIES

DEEPAK A. VARIYA & CO.
C.P. No. 10111
M. No. 8830
MUMBAI

Deepak A. Variya
Proprietor
C.P. No. 10111

Place: Mumbai
Date: 30th May, 2022
UDIN: F008830D000437491

**Fermi Solarfarms Private Limited**
CIN: U40106DL2013FTC248848

Correspondence Office:
406, Hubtown Solaris,
N. S. Phadke Marg, Andheri (E),
Mumbai - 400069
T : +91-22-6140 8000

Registered Office:
910/19, Suryakiran,
Kasturba Gandhi Marg,
New Delhi – 110 001
T: +011-68172100
E:fermisolarfarms@avaada.com
www.avaadaenergy.com/fermi/

**Annexure- III**

**Annual Report on Corporate Social Responsibility Activities as prescribed under Section 135 of the Companies Act, 2013 and Companies (Corporate Social Responsibility Policy) Rules, 2014**

## 1. Brief outline on CSR Policy of the Company:

The CSR policy of the Company was adopted by the Board on August 4, 2020 and it focuses on Education, Empowerment, Environment and Health and other CSR activities and the said policy has been amended by the Board on March 31, 2021 effective from April 1, 2021 pursuant to the amended provisions of Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021.

The main objective of the CSR Policy is to lay down guidelines and make CSR as one of the key business drivers for sustainable development of the environment and the society in which the Company operates in particular and the overall development of the global community at large.

## 2. Dissolution of CSR Committee of the Board:

The details of the composition of the CSR Committee of the Board and members of the meetings held during the year is as follows:

| Sr. No. | Name of Directors | Designation | Number of meetings of CSR Committee held during the year | Number of meetings of CSR Committee attended during the year |
|---|---|---|---|---|
| 1 | Mr. Ravi Kant Verma | Non-Executive Director | 1 | 1 |
| 2 | Mr. Prashant Choubey | Non-Executive Director | 1 | 1 |

**Correspondence Office:**
406, Hubtown Solaris,
N. S. Phadke Marg, Andheri (E),
Mumbai - 400069
T : +91-22-6140 8000

**Registered Office:**
910/19, Suryakiran,
Kasturba Gandhi Marg,
New Delhi – 110 001
T: +011-68172100
E:fermisolarfarms@avaada.com
www.avaadaenergy.com/fermi/


Pursuant to the amendment to the provisions of Section 135 of the Companies Act, 2013 vide the Companies (Amendment) Act, 2020 read with the Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021, if the annual CSR obligation of any Company does not exceed Rupees Fifty Lakhs, the Company would no longer fall under the criteria for constituting and continuing with the Corporate Social Responsibility Committee. It was thus decided to dissolve the said Corporate Social Responsibility Committee of the Board and the functions earlier delegated to the said Committee would continue to be discharged by the Board going forward.

3. **The web-link for CSR Policy and CSR projects approved by the board are disclosed on the website of the company:**

   https://avaadaenergy.com/fermi/img/Annexure%205%20-%20CSR%20PolicyFSPL.pdf

4. **Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014, if applicable (attach the report):**

   The Company at present is not required to carry out impact assessment in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014.

5. **Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any**

   The Company does not have any amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social responsibility Policy) Rules, 2014.

6. **Average net profit of the company as per section 135(5): INR 71.82 million**

7. (a) Two percent of average net profit of the company as per section 135(5): **INR 1.44 million**
   (b) Surplus arising out of the CSR projects or programs or activities of the previous financial years: **Nil**

**Correspondence Office:**
406, Hubtown Solaris,
N. S. Phadke Marg, Andheri (E),
Mumbai - 400069
T : +91-22-6140 8000

**Registered Office:**
910/19, Suryakiran,
Kasturba Gandhi Marg,
New Delhi - 110 001
T: +011-68172100
E:fermisolarfarms@avaada.com
www.avaadaenergy.com/fermi/

(c) Amount required to be set off for the financial year, if any: **Nil**
(d) Total CSR obligation for the financial year (7a+7b-7c) : **INR 1.44 million**

8. (a) CSR amount spent or unspent for the financial year:

| Total Amount Spent for the Financial Year 2021-22 (INR in millions) | Amount Unspent (in INR) | | | | |
|---|---|---|---|---|---|
| | Total Amount transferred to Unspent CSR Account as per section 135(6). | | Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5). | | |
| | Amount | Date of transfer | Name of the Fund | Amount | Date of transfer |
| 1.5 | NIL | N.A. | N.A. | NIL | N.A. |

(b) Details of CSR amount spent against ongoing projects for the financial year: Not Applicable

(c) Details of CSR amount spent against other than ongoing projects for the financial year:

| (1) SR. No. | (2) Name of the Project | (3) Item from the list of activities in schedule VII to the Act | (4) Local area (Yes/ No | (5) Location of the project | | (6) Amount spent for the project (INR in millions) | (7) Mode of implementation - Direct (Yes/No) | (8) Mode of implementation - Through implementing agency | |
|---|---|---|---|---|---|---|---|---|---|
| | | | | State | District | | | Name | CSR registration number |
| 1 | Food grains & ration support to daily wages workers & marginal | Preventive Healthcare/ Covidcare Support | No | Maharashtra | Satara, Solapur, Buldhana and Amaravati | 1.12 | No | Avaada Foundation | CSR00002025 |

**Correspondence Office:**
406, Hubtown Solaris,
N. S. Phadke Marg, Andheri (E),
Mumbai - 400069
T : +91-22-6140 8000

**Registered Office:**
910/19, Suryakiran,
Kasturba Gandhi Marg,
New Delhi – 110 001
T: +011-68172100
E:fermisolarfarms@avaada.com
www.avaadaenergy.com/fermi/

| | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | community during second wave of Corona Pandemic | | | | Districts, | | | | |
| 2 | Distribution of safety masks & sanitizers in rural community to make the society aware about prevention and spreading of corona cases in the community | Preventive Healthcare/ Covidcare Support | Yes | Maharashtra | Chalisgaon District | 0.14 | No | Avaada Foundation | CSR00002025 |
| 3 | Setting up of Covid Care Center for the prevention & better treatment of corona affected patients | Preventive Healthcare/ Covidcare Support | No | Maharashtra | Solapur & Amaravati Districts, | 0.23 | No | Avaada Foundation | CSR00002025 |

(d) Amount spent in Administrative Overheads: INR 0.007 million

(e) Amount spent on Impact Assessment, if applicable: Not Applicable

(f) Total amount spent for the Financial Year (8b+8c+8d+8e): INR. 1.50 million

(g) Excess amount for set off, if any

| Sr. No. | Particulars | Amounts (INR in millions) |
|---|---|---|
| (i) | Two percent of average net profit of the company as per section 135(5) | 1.44 |
| (ii) | Total amount spent for the Financial Year | 1.50 |

**Correspondence Office:**
406, Hubtown Solaris,
N. S. Phadke Marg, Andheri (E),
Mumbai - 400069
T : +91-22-6140 8000

**Registered Office:**
910/19, Suryakiran,
Kasturba Gandhi Marg,
New Delhi – 110 001
T: +011-68172100
E:fermisolarfarms@avaada.com
www.avaadaenergy.com/fermi/

| | | |
|---|---|---|
| (iii) | Excess amount spent for the financial year [(ii)-(i)] | 0.06 |
| (iv) | Surplus arising out of the CSR projects or programs or activities of the previous financial years, if any | 0.00 |
| (v) | Amount available for set off in succeeding financial years[(iii)-(iv)] | 0.06 |

9. (a) Details of Unspent CSR amount for the preceding three financial years: Nil

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s): Not Applicable

10. **In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year: Not Applicable**

(a) Date of creation or acquisition of the capital asset(s): N.A.
(b) Amount of CSR spent for creation or acquisition of capital asset: N.A.
(c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.: N.A.
(d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset). N.A.

11. **Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5) :**

The Company has spent its CSR obligation in full during the Financial Year 2021-22.

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

**Ravi Kant Verma**
**Director**
**DIN: 07299159**

**Prashant Choubey**
**Director**
**DIN: 08072225**

**Place: Noida**
**Date: May 30, 2022**

**Deloitte Haskins & Sells**

Chartered Accountants
7th Floor, Building 10, Tower B
DLF Cyber City Complex
DLF City Phase - II
Gurugram - 122 002
Haryana, India

Tel: +91 124 679 2000
Fax: +91 124 679 2012

# INDEPENDENT AUDITOR'S REPORT

## To The Members of Fermi Solarfarms Private Limited
## Report on the Audit of the Financial Statements

### Opinion

We have audited the accompanying financial statements of Fermi Solarfarms Private Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2022, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information (together referred to as "the financial statements").

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, 2022, and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

### Basis for Opinion

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 Responsibility 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 ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules made thereunder, 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 obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. We have determined that there are no key audit matters to communicate in our report.

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

- The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Board's report, 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.

Deloitte Haskins & Sells Chartered Accountants

- 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 including other comprehensive income, cash flows and changes in equity 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.

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

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

**Auditor's Responsibility 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 skepticism throughout the audit. We also:

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

Deloitte Haskins & Sells Chartered Accountants

- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the 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 the 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.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.
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**

1. 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, the Statement of Cash Flows and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.

   d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act.

   e) On the basis of the written representations received from the directors as on March 31, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164(2) of the Act.

Deloitte Haskins & Sells
Chartered Accountants



06

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

g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, no remuneration has been paid by the Company to its directors during the year. Hence, reporting under this section is not applicable to the Company.

h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

   i. The Company does not have any pending litigations which would impact its financial position. Refer note 38(b) to the financial statement.

   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.

   iv. a) The Management has represented that, to the best of it's knowledge and belief, as disclosed in the note 28(b) to the financial statement, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

   b) The Management has represented, that, to the best of it's knowledge and belief, as disclosed in the note 28(b) to the financial statement, no funds have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

   c) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

   v. The Company has not declared or paid any dividend during the year and has not proposed final dividend for the year.

Deloitte Haskins & Sells Chartered Accountants



DG

2. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For **Deloitte Haskins & Sells**
Chartered Accountants
(Firm's Registration No. 015125N)

Deloitte Haskins & Sells
Chartered Accountants

Vikas Khurana
Partner
(Membership No. 503760)
(UDIN: 22503760AJWSCE1923)

Place: Gurugram
Date: May 30, 2022

**Deloitte**
**Haskins & Sells**

**ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT**
**(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)**

**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")**

We have audited the internal financial controls over financial reporting of Fermi Solarfarms Private Limited ("the Company") as of March 31, 2022 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

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

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal 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 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.

**Auditor's Responsibility**

Our responsibility is to express an opinion on the Company's 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 Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained, is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

**Meaning of Internal Financial Controls Over Financial Reporting**

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.



Deloitte Haskins & Sells Chartered Accountants

**Inherent Limitations of Internal Financial Controls Over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**Opinion**

In our opinion, 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 and such internal financial controls over financial reporting were operating effectively as at March 31, 2022, based on the criteria for internal financial control over financial reporting 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 **Deloitte Haskins & Sells**
Chartered Accountants
(Firm's Registration No. 015125N)

Deloitte Haskins & Sells
Chartered Accountants

Vikas Khurana
Partner
(Membership No. 503760)
(UDIN: 22503760AJWSCE1923)

Place: Gurugram
Date: May 30, 2022



04

## ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

In terms of the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that

(i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.

(B) As the Company does not hold any intangible assets, reporting under clause 3(i)(a)(B) of the Order is not applicable.

(b) The Property, Plant and Equipment were physically verified during the year by the Management in accordance with a program of verification, which in our opinion, provides for physical verification of all the Property, Plant and Equipment at reasonable intervals.

According to the information and explanations given to us, no material discrepancies were noticed on such verification.

(c) Based on our examination of the registered sale deed for land on which building is constructed and register sale deed provided to us, we report that, title in respect of self-constructed buildings and title deeds of all other immovable properties disclosed in the financial statements included in Property, Plant and Equipment, are held in the name of the Company as at balance sheet date.

(d) The Company has not revalued any of its Property, Plant and Equipment (including Right of Use assets) during the year.

(e) No proceedings have been initiated during the year or are pending against the Company as at March 31, 2022 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.

(ii) (a) The inventories were physically verified during the year by the management at reasonable intervals. In our opinion and according to the information and explanations given to us, the coverage and procedure of such verification by the Management is appropriate having regard to the size of the Company and nature of its operations. No discrepancies of 10% or more in the aggregate for each class of inventories were noticed on such physical verification of inventories applicable, when compared with books of accounts.

(b) According to the information and explanations given to us, at any given point of time of the year, the Company has not been sanctioned working capital from banks or financial institutions and hence reporting under clause (ii)(b) of the Order is not applicable.

Deloitte Haskins & Sells
Chartered Accountants



89

(iii) (a) The Company has not provided any loan, advances in nature of loan or security to any other entity during the year. Further, the Company along with three other fellow subsidiaries has issued non-convertible debentures during the year aggregating to INR 14,400 million, for which the Company along with other three fellow subsidiaries have provided guarantee on jointly and severally basis to the debenture trustees. Details are as given below:

(Amount in INR million)

| | Loans | Advances in nature of loans | Guarantees on behalf of fellow subsidiaries | Security |
|---|---|---|---|---|
| Aggregate amount granted / provided during the year: | | | | |
| - Others | Nil | Nil | 11,030 | Nil |
| Balance outstanding as at balance sheet date in respect of above cases: | | | | |
| - Others | Nil | Nil | 11,030 | Nil |

The Company has not provided any loan, advances in nature of loan or security to any other entity during the year.

(b) During the year the guarantees provided to companies are not prejudicial to the Company's interest. Further, the Company has not made any investments and has not provided any loan, advances in nature of loan or security to any other entity during the year.

(c) The Company has not provided any loan, advances in nature of loan or security to any other entity during the year and hence reporting under clause 3(iii)(c), (d), (e) and (f) is not applicable.

(iv) The Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of guarantees provided, as applicable. Further, the Company has not granted any loans, made investments or securities to any other entity during the year.

(v) The Company has not accepted any deposit or amount which are deemed to be deposits. Hence reporting under clause 3(v) of the order is not applicable.

(vi) The maintenance of cost records has been specified by the Central Government under section 148(1) of the Companies Act, 2013. We have broadly reviewed the books of account maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended prescribed by the Central Government for maintenance of cost records under Section 148(1) of the Companies Act, 2013, and are of the opinion that, prima facie, the prescribed cost records have been made and maintained by the Company. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

Deloitte Haskins & Sells
Chartered Accountants



96

(vii) According to the information and explanations given to us, in respect of statutory dues:

(a) Undisputed statutory dues, including Goods and Service Tax, Provident Fund, Income-tax, duty of Custom, cess and other material statutory dues applicable to the Company have generally been regularly deposited by it with the appropriate authorities though there has been a delay in respect of remittance of Income-tax dues.

We were informed that the provisions of Employees' State Insurance Act, 1948 are not applicable to the Company.

There were no undisputed amounts payable in respect of Goods and Service tax, Provident Fund, Income-tax, duty of Custom, cess and other material statutory dues in arrears as at March 31, 2022 for a period of more than six months from the date they became payable.

(b) There are no statutory dues referred to in sub clause (a) above which have not been deposited on account of disputes as on March 31, 2022.

(viii) There were no transactions relating to previously unrecorded income that were surrendered or disclosed as income in the tax assessments under the Income Tax Act, 1961 (43 of 1961) during the year.

(ix) (a) In our opinion, the Company has not defaulted in the repayment of loans or other borrowings or in the payment of interest thereon to any lender during the year.

(b) The company has not been declared willful defaulter by any bank or financial institution or government or any government authority.

(c) To the best of our knowledge and belief, in our opinion, term loans availed by the Company were, applied by the Company during the year for the purposes for which the loans were obtained.

(d) On an overall examination of the financial statements of the Company, funds raised on short-term basis have, *prima facie*, not been used during the year for long-term purposes by the Company.

(e) The Company did not have any subsidiary or associate or joint venture during the year and hence, reporting under clause 3(ix)(e) of the Order is not applicable.

(f) The Company did not have any subsidiary or associate or joint venture during the year and hence, reporting under clause 3(ix)(f) of the Order is not applicable.

(x) (a) In our opinion and according to the information and explanations given to us, moneys raised by way of debt instruments during the year have been, *prima facie*, applied by the Company for the purposes for which they were raised. Company has not raised moneys by way of Initial public offer or further public offer during the year.

(b) The Company has made private placement of non-convertible debentures during the year For such issuance of non-convertible debentures, the Company has complied with the requirements of Section 42 and 62 of the Companies Act, 2013, and the funds raised have been, prima facie, applied by the Company during the year for the purposes for which the funds were raised. The Company has not made any preferential allotment or private placement of shares (fully or partly or optionally) during the year.

Deloitte Haskins & Sells
Chartered Accountants



06

(xi) (a) To the best of our knowledge, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.

(b) To the best of our knowledge, no report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and up to the date of this report.

(c) As represented to us by the Management, there were no whistle blower complaints received by the Company during the year and up to the date of this report.

(xii) The Company is not a Nidhi Company and hence reporting under clause 3(xii) of the Order is not applicable.

(xiii) In our opinion, the Company is in compliance with Section 177 and 188 of the Companies Act, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.

(xiv) (a) In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.

(b) We have considered, the internal audit reports for the year under audit, issued to the Company during the year and till date, in determining the nature, timing and extent of our audit procedures.

(xv) In our opinion during the year the Company has not entered into any non-cash transactions with any of its directors or directors of its holding company, or persons connected with such directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.

(xvi) (a) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause 3(xvi)(a), (b) (c) and (d) of the Order is not applicable.

(b) According to the information and explanation given to us, there is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly reporting under clause 3(xvi)(d) of the Order is not applicable.

(xvii) The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors of the Company during the year.

(xix) On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

Deloitte Haskins & Sells Chartered Accountants

(xx) The Company has fully spent the required amount towards Corporate Social Responsibility (CSR) and there are no unspent CSR amount for the year requiring a transfer to a Fund specified in Schedule VII to the Companies Act or special account in compliance with the provision of sub-section (6) of section 135 of the said Act. Accordingly, reporting under clause 3(xx) of the Order is not applicable for the year.

For **Deloitte Haskins & Sells**
Chartered Accountants
(Firm's Registration No. 015125N)

Deloitte Haskins & Sells
Chartered Accountants

Vikas Khurana
Partner
(Membership No. 503760)
(UDIN: 22503760AJWSCE1923)

Place: Gurugram
Date: May 30, 2022



P9

**Fermi Solarfarms Private Limited**
**CIN - U40106DL2013FTC248848**
**Balance sheet as at March 31, 2022**
(All amounts in INR millions unless stated otherwise)

| Particulars | Note | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|---|
| **ASSETS** | | | |
| **Non-current assets** | | | |
| Property, plant and equipment | 3 | 4,352.84 | 4,526.70 |
| Financial assets | 4 | | |
| Other financial assets | 4(a) | 474.17 | 204.53 |
| Non-current tax assets (net) | 5 | 12.46 | 9.44 |
| Other non-current assets | 6 | 12.22 | 11.86 |
| **Total non-current assets (A)** | | **4,851.69** | **4,752.53** |
| **Current assets** | | | |
| Inventories | 7 | 3.02 | 2.70 |
| Financial assets | 8 | | |
| Investments | 8(a) | - | 226.67 |
| Trade receivables | 8(b) | 193.85 | 196.55 |
| Cash and cash equivalents | 8(c) | 173.13 | 159.25 |
| Other bank balances | 8(d) | 8.20 | 38.37 |
| Other financial assets | 8(e) | 10.72 | 12.95 |
| Other current assets | 9 | 0.40 | 1.09 |
| **Total current assets (B)** | | **389.32** | **637.58** |
| **Total assets (A+B)** | | **5,241.01** | **5,390.11** |
| **EQUITY AND LIABILITIES** | | | |
| **EQUITY** | | | |
| Equity share capital | 10 | 16.17 | 16.17 |
| Instruments entirely equity in nature | 11 | 759.28 | 759.28 |
| Other equity | 12 | 396.86 | 413.24 |
| **Total equity (C)** | | **1,172.31** | **1,188.69** |
| **LIABILITIES** | | | |
| **Non current liabilities** | | | |
| Financial liabilities | 13 | | |
| Borrowings | 13(a) | 3,458.10 | 3,637.41 |
| Deferred tax liability (net) | 14 | 115.86 | 64.94 |
| Other non-current liabilities | 15 | 297.35 | 312.17 |
| Provisions | 16 | 0.18 | 0.10 |
| **Total non-current liabilities (D)** | | **3,871.49** | **4,014.62** |
| **Current liabilities** | | | |
| Financial liabilities | 17 | | |
| Borrowings | 17(a) | 170.55 | 163.48 |
| Trade payables | | | |
| Total outstanding dues of micro and small enterprises | 17(b) | 0.11 | - |
| Total outstanding dues to creditors other than micro and small enterprises | 17(b) | 10.66 | 6.61 |
| Other current liabilities | 18 | 15.89 | 16.71 |
| Provisions | 19 | - | - |
| **Total current liabilities (E)** | | **197.21** | **186.80** |
| **Total equity and liabilities (C+D+E)** | | **5,241.01** | **5,390.11** |

See accompanying notes forming part of the financial statements 1-43

**For Deloitte Haskins & Sells**
Chartered Accountants

**Vikas Khurana**
Partner
Date: May 30, 2022
Place: Gurugram

Deloitte Haskins & Sells Chartered Accountants

**Shweta Manik Mankar**
Company Secretary

Place: Noida
Date: May 30, 2022

**For and on behalf of board of directors**

**Prashant Choubey**
Director
DIN: 08072225
Place: Noida
Date: May 30, 2022

**Ravi Kant Verma**
Director
DIN: 07299159
Place: Noida
Date: May 30, 2022

FERMI SOLARFARMS PRIVATE LIMITED

**Fermi Solarfarms Private Limited**
**CIN - U40106DL2013FTC248848**
**Statement of Profit and Loss for the year ended March 31, 2022**
(All amounts in INR millions unless stated otherwise)

| Particulars | Note | For the year ended March 31, 2022 | For the year ended March 31, 2021 |
|---|---|---|---|
| **Income** | | | |
| Revenue from operations | 20 | 675.38 | 727.26 |
| Other income | 21 | 38.51 | 67.85 |
| **Total Income (A)** | | **713.89** | **795.11** |
| **Expenses** | | | |
| Employee benefits expense | 22 | 3.48 | 2.37 |
| Finance costs | 23 | 395.50 | 400.73 |
| Depreciation expenses | 24 | 180.59 | 180.51 |
| Other expenses | 25 | 55.41 | 77.55 |
| **Total expenses (B)** | | **634.98** | **661.16** |
| **Profit before tax (C=A-B)** | | **78.91** | **133.95** |
| **Tax Expense:** | 14 | | |
| Current Tax | | - | - |
| Deferred tax charge | | 50.92 | 41.14 |
| **Total tax expenses (D)** | | **50.92** | **41.14** |
| **Profit after tax (E=C-D)** | | **27.99** | **92.81** |
| **Other comprehensive income** | | | |
| Items that will not to be reclassified to profit or loss in subsequent periods: | | | |
| Re-measurement of liabilities/assets | | - | - |
| Income tax effect of re-measurement gains on defined benefit plans | | - | - |
| **Other comprehensive income/(loss) for the year, net of tax (F)** | | - | - |
| **Total comprehensive income for the year, net of tax (G=E+F)** | | **27.99** | **92.81** |
| **Earnings per share:** | 26 | | |
| (a) Basic (INR) | | 0.36 | 1.20 |
| (b) Diluted (INR) | | 0.36 | 1.20 |

See accompanying notes forming part of the financial statements 1-43

**For Deloitte Haskins & Sells**
Chartered Accountants

Vikas Khurana

**Vikas Khurana**
Partner
Date: May 30, 2022
Place: Gurugram

Deloitte Haskins & Sells Chartered Accountants

**For and on behalf of board of directors**

**Shweta Manik Mankar**
Company Secretary

Place: Noida
Date: May 30, 2022

**Prashant Choubey**
Director
DIN: 08072225
Place: Noida
Date: May 30, 2022

**Ravi Kant Verma**
Director
DIN: 07299159
Place: Noida
Date: May 30, 2022

FERMI SOLARFARMS PRIVATE LIMITED

**Fermi Solarfarms Private Limited**
**CIN - U40106DL2013FTC248848**
**Statement of Cash Flows for the year ended March 31, 2022**
(All amounts in INR millions unless stated otherwise)

| Particulars | For the year ended March 31, 2022 | For the year ended March 31, 2021 |
|---|---|---|
| **A. Cash flow from operating activities** | | |
| Profit before tax | 78.91 | 133.95 |
| **Adjustments** | | |
| Finance Cost | 395.50 | 381.12 |
| Depreciation expense | 180.60 | 180.51 |
| Revenue from goods and service tax claim | (8.15) | (23.52) |
| Interest income on bank deposits | (8.35) | (10.98) |
| Profit on sale of investment | (6.54) | (4.93) |
| Unwinding interest income on goods and service tax claim | (16.74) | (14.68) |
| Gain on foreign exchange | (0.16) | (22.48) |
| Amortisation of Project subsidy (Viability Gap Funding) | (6.67) | (6.67) |
| Liability no longer required | (0.05) | - |
| Gain on change in fair value of investment measured at FVTPL | - | (0.88) |
| Gratuity expense and Leave encashment | 0.21 | 0.14 |
| **Operating profit before working capital changes** | **608.56** | **611.58** |
| Adjustment for working capital changes | | |
| Changes in inventories | (0.32) | (0.45) |
| Changes in trade receivables | 2.70 | (0.31) |
| Changes in other financial assets | 11.75 | (20.81) |
| Changes in other assets | (1.65) | 73.88 |
| Changes in other liabilities | (0.82) | 202.95 |
| Changes in trade payables | 4.38 | (3.49) |
| Change in provisions | (0.13) | (0.09) |
| **Cash generated from operations** | **624.47** | **863.26** |
| Income tax paid (net of income tax refund) | (3.02) | 11.85 |
| **Net cash generated from operating activities** | **621.45** | **875.11** |
| | | |
| **B. Cash Flow from investing activities** | | |
| Capital expenditure of property, plant and equipment (including capital advances) | (4.76) | (1.64) |
| Proceeds from sale of investments in mutual fund | 810.68 | 1,690.92 |
| Investment in mutual fund | (577.47) | (1,755.32) |
| Proceeds from bank deposits | 458.86 | 291.90 |
| Investment in bank deposits | (709.04) | (330.03) |
| Interest received on bank deposits | 9.54 | 10.30 |
| Interest received on goods and service tax claim receivables | 16.74 | 14.68 |
| **Net cash generated /(used) in investing activities** | **4.55** | **(79.19)** |
| | | |
| **C. Cash flow from financing activities** | | |
| Proceed from non-current borrowings | 4,056.96 | 841.68 |
| Repayment of non-current borrowings | (4,410.11) | (1,269.36) |
| Proceed from current borrowings | 750.58 | 37.59 |
| Repayment of current borrowings | (721.01) | (31.43) |
| Interest and other borrowing cost paid | (284.17) | (310.08) |
| Payment for processing fees of non-current borrowing | (4.37) | - |
| **Net cash used in financing activities** | **(612.12)** | **(731.60)** |
| | | |
| **Net increase in cash and cash equivalents (A+B+C)** | 13.88 | 64.32 |
| Cash and cash equivalents at the beginning of the year | 159.25 | 94.93 |
| **Cash and cash equivalents at the end of the year** | **173.13** | **159.25** |

| **Components of cash and cash equivalents** | **As at March 31, 2022** | **As at March 31, 2021** |
|---|---|---|
| Balances with banks in current account | 173.13 | 16.58 |
| Bank deposits | - | 142.67 |
| **Cash and cash equivalents** | **173.13** | **159.25** |

See accompanying notes forming part of the financial statements

**For Deloitte Haskins & Sells**
Chartered Accountants

**Vikas Khurana**
Partner
Date: May 30, 2022
Place: Gurugram

Deloitte Haskins & Sells Chartered Accountants

**Shweta Manik Mankar**
Company Secretary

Place: Noida
Date: May 30, 2022

**For and on behalf of board of directors**

**Prashant Choubey**
Director
DIN: 08072225
Place: Noida
Date: May 30, 2022

**Ravi Kant Verma**
Director
DIN: 07299159
Place: Noida
Date: May 30, 2022

FERMI SOLARFARMS PRIVATE LIMITED

**Statement of changes in equity for the year ended March 31, 2022**
(All amounts in INR millions unless stated otherwise)

**(a) Equity share capital**

| Particulars | Number | Amount |
|---|---|---|
| **Balance as at April 1, 2020** | **16,16,984** | **16.17** |
| Changes in Equity Share Capital due to prior period errors | - | - |
| Restated balance at the beginning of the previous reporting period | **16,16,984** | **16.17** |
| Change in equity share capital (refer note 10) | - | - |
| **Balance as at March 31, 2021** | **16,16,984** | **16.17** |
| Changes in Equity Share Capital due to prior period errors | - | - |
| Restated balance at the beginning of the previous reporting period | **16,16,984** | **16.17** |
| Change in equity share capital (refer note 10) | - | - |
| **Balance as at March 31, 2022** | **16,16,984** | **16.17** |

**(b) Instruments entirely equity in nature**

| Particulars | Number | Amount |
|---|---|---|
| **Balance as at April 1, 2020** | **75,92,82,000** | **759.28** |
| Movement during the year | - | - |
| **Balance as at March 31, 2021** | **75,92,82,000** | **759.28** |
| Movement during the year | - | - |
| **Balance as at March 31, 2022** | **75,92,82,000** | **759.28** |

**(c) Other equity**

| Particulars | Retained earnings | Securities premium | Debenture Redemption Reserve | Equity component on interest free loan from related party | Total amount |
|---|---|---|---|---|---|
| **Balance as at April 1, 2020** | **46.24** | **25.94** | - | **248.27** | **320.45** |
| Profit for the year | 92.79 | - | - | - | 92.79 |
| Other comprehensive income, net of tax* | - | - | | - | - |
| **Balance as at March 31, 2021** | **139.03** | **25.94** | - | **248.27** | **413.24** |
| Profit for the year | 27.98 | - | | | 27.98 |
| Adjustment for repayment of loan | - | - | - | (44.36) | (44.36) |
| Other comprehensive income, net of tax* | - | - | - | - | - |
| Transfer to Debenture redemption reserve | (167.01) | - | - | - | (167.01) |
| Debenture redemption reserve created | | - | 167.01 | | 167.01 |
| **Balance as at March 31, 2022** | - | **25.94** | **167.01** | **203.91** | **396.86** |

*Expressed in absolute - Other comprehensive income, net of tax INR (-1,448) (March 2021: INR 3,920.00)

See accompanying notes forming part of the financial statements 1-43

**For Deloitte Haskins & Sells**
Chartered Accountants

**Vikas Khurana**
Partner
Date: May 30, 2022
Place: Gurugram

Deloitte Haskins & Sells Chartered Accountants

**Shweta Manik Mankar**
Company Secretary

Place: Noida
Date: May 30, 2022

**For and on behalf of board of directors**

**Prashant Choubey**
**Director**
DIN: 08072225
Place: Noida
Date: May 30, 2022

**Ravi Kant Verma**
**Director**
DIN: 07299159
Place: Noida
Date: May 30, 2022

FERMI SOLARFARMS PRIVATE LIMITED

## 1. Corporate information

Fermi Solarfarms Private Limited ("the Company") is a private company domiciled in India and incorporated on February 28, 2013 under the provisions of the Companies Act applicable in India. The Company became wholly owned subsidiary of Avaada Energy Private Limited (formerly known as Giriraj Renewables Private Limited) w.e.f. August 2, 2019. The registered office of the Company is located at New Delhi and engaged in the business of generation of solar power. The Company had commissioned 80MW solar power project at Chalisgaon, Maharashtra, on April 14, 2018.

## 2. Significant accounting policies

### 2.1 Basis of preparation

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under section 133 of the Companies Act, 2013, read together with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015, Companies (Indian Accounting Standards) Amendment Rules, 2016 issued by the Ministry of Corporate Affairs.

The financial statements have been prepared on the accrual and going concern basis and the historical cost convention. Historical cost is generally based on the fair value of the consideration given in exchage for goods and services. For aacounting policy on fair value refer note 2.2 (q).

### 2.2 Summary of significant accounting policies

#### a) Use of estimates

The preparation of financial statements in conformity with Ind AS requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

#### b) Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current/non-current classification.

An asset is treated as current when it is:
- expected to be realized or intended to sold or consumed in normal operating cycle;
- held primarily for the purpose of trading;
- expected to be realized within twelve months after the reporting period; or
- cash or cash equivalents unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is treated as current when it is:
- expected to be settled in normal operating cycle;
- held primarily for the purpose of trading;
- due to be settled within twelve months after the reporting period; or
- there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

All other liabilities are classified as non-current.
Deferred tax assets/liabilities are classified as non-current assets/liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realization/settlement in cash and cash equivalents. The Company has identified twelve months as their operating cycle for classification of their current assets and liabilities.

#### c) Property, plant and equipment

Property, plant and equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. The cost of Property, plant and equipment comprises its purchase price net of any trade discounts and rebates, any import duties and other taxes (other than subsequently recoverable from tax authorities), any directly attributable expenditure on making the asset ready for its intended use and borrowing costs attributable to acquisition of qualifying assets up to the date the asset is ready for its intended use.

Cost also includes replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

Deloitte Haskins & Sells Chartered Accountants



FERMI SOLARFARMS PRIVATE LIMITED

Financial assets that are 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 are subsequently measured at amortised cost (except for financial assets that are designated as at FVTPL on initial recognition).

Financial assets that are 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 are subsequently measured at fair value through other comprehensive income (except for financial assets that are designated as at FVTPL on initial recognition).
All other financial assets are subsequently measured at fair value.

The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset, or, where appropriate, a shorter period, to the net carrying amount on initial recognition. Income is recognised on an effective interest basis for financial assets other than those financial assets classified as at FVTPL. Interest income is recognised in the Statement of Profit and Loss and is included in the 'Other income'.

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in the Statement of Profit and Loss.

The Company assesses at each Balance Sheet date whether a financial asset or a group of financial assets is impaired. Ind AS 109 requires expected credit losses to be measured through a loss allowance. The Company recognises credit loss allowance at lifetime expected credit loss model for trade receivables.

The Company's financial assets comprise of cash and cash equivalents, bank deposits, trade receivable, interest accrued on bank deposits, and other receivables. These assets are measured subsequently at amortised cost.

**Financial Liabilities**

Financial liabilities are recognised when an entity becomes a party to the contractual provisions of the instruments. Financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial liabilities (other than financial liabilities at FVTPL) are deducted from the fair value of the financial liabilities on initial recognition. Transaction costs directly attributable to the acquisition of financial liabilities at FVTPL are recognised immediately in the Statement of Profit and Loss and is included in 'finance costs'.

Financial liabilities are classified as at FVTPL when the financial liability is held for trading or it is designated as at FVTPL all other financial liabilities are subsequently measured at amortised cost using the effective interest rate method or at FVTPL.

The effective interest rate method is a method of calculating the amortised cost of a financial liability and of allocating interest expense and other directly attributable costs over the relevant period. The effective interest rate is the rate that exactly discounts estimated contracted future cash payments through the expected life of the financial liability to the net carrying amount on initial recognition. The expected life of a financial liability can be a shorter period when the contractual arrangements include prepayment provisions and when such prepayments are expected.

Expense is recognised on an effective interest basis for financial liabilities other than those financial liabilities classified as at FVTPL. Interest expense is recognised in profit or loss and is included in the 'Finance costs' line item.

Non-refundable fees and related direct costs associated with the origination of borrowings are deferred and netted against borrowings and recognised using effective interest rate method.

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. 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.

The Company's financial liabilities comprise of borrowings, trade payables and other payables. These liabilities are measured subsequently at amortised cost.

**j) Revenue recognition**

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made.

Deloitte Haskins & Sells
Chartered Accountants



FERMI SOLARFARMS PRIVATE LIMITED

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

**Capital work in progress (CWIP)**
Assets in the course of construction are capitalised in the assets under capital work in progress (CWIP). At the point when an asset is operating at management's intended use, the cost of construction is transferred to the appropriate category of property, plant and equipment and depreciation commences. Where an obligation (legal or constructive) exists to dismantle or remove an asset or restore a site to its former condition at the end of its useful life, the present value of the estimated cost of dismantling, removing or restoring the site is capitalized along with the cost of acquisition or construction upon completion and a corresponding liability is recognized.

**d) De-recognition**
An item of property, plant and equipment and any significant part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the Statement of Profit and Loss when the asset is derecognized. The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

**e) Depreciation**
Depreciation is provided for property, plant and equipment on a straight line basis so as to expense the cost less residual value over their estimated useful lives based on a technical evaluation. The estimated useful lives and residual values are reviewed at the end of each reporting period, with the effect of any change in estimate accounted for on a prospective basis.

| Type of asset | Useful lives |
|---|---|
| Buildings & Improvement (Solar Power Generating System) | 25 years |
| Plant and equipment (Solar Power Generating System) | 25 years |
| Plant and equipment (Other ) | 15 years |
| Vehicles | 10 years |
| Office equipment | 5 years |
| Furniture and fixtures | 10 years |

Assets individually costing less than Rs. 5,000 are fully depreciated in the year of acquisition.

The assets' residual values and useful lives are reviewed at each financial year end or whenever there are indicators for impairment, and adjusted prospectively.

Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the depreciation period or method, as appropriate, and are treated as changes in accounting estimates. The depreciation expense on tangible assets is recognised in the Statement of Profit and Loss unless such expenditure forms part of carrying value of another asset.

**f) Intangible assets**
Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the Statement of Profit and Loss unless such expenditure forms part of carrying value of another asset.
Intangible assets with indefinite useful lives are not amortized, but are tested for impairment at each year end either individually or at the cash generating unit level.

Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit and Loss when the asset is derecognised.

**g) Leases**
The Company assesses at contract inception whether a contract is, or contains, a lease. Thai is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Deloitte Haskins & Sells
Chartered Accountants



FERMI SOLARFARMS PRIVATE LIMITED

**As a lessee**
The Company applies a single recognition and measurement approach for all leases and leases of low-value assets. The Company recognizes lease liabilities to make lease payment and right to use the underlying assets.

**i) Right-of-use assets**
The Company recognizes right-of-use assets at the commencement date of lease (i.e., the date of underlying the asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the lease term:

The cost reflects the exercise of a purchase option, as if ownership of the leased asset transfers to the Company at the end of the lease term.
The right-of-use asset are also subject to impairment.

**ii) Lease liabilities**
At the commencement date of the lease, the Company recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivables, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognized as expense (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.
In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., change to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

**iii) Short-term leases and leases ok low-value assets**
The Group applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to lease of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low value assets are recognised as expense on a straight-line basis over the lease term.

**h) Borrowing costs**
Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur.

Borrowing cost includes interest, amortization of ancillary costs incurred in connection with the arrangement of borrowings and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost less any interest income earned on temporary investment of specific borrowings pending their expenditure on qualifying assets.

Borrowing cost includes interest expense as per effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial liability or a shorter period, where appropriate, to the amortised cost of a financial liability after considering all the contractual terms of the financial instrument.

The Company determines the amount of borrowing costs eligible for capitalisation as the actual borrowing costs incurred on that borrowing during the period, to the extent that an entity borrows funds specifically for obtaining a qualifying asset. In case if the Company borrows generally and uses the funds for obtaining a qualifying asset, borrowing costs eligible for capitalisation are determined by applying a capitalisation rate to the expenditures on that asset.

**i) Financial instruments**

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

**Financial asset**
Financial assets are recognised when an entity becomes a party to the contractual provisions of the instruments. Financial assets are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets (other than financial assets at fair value through profit or loss) are added to the fair value of the financial assets on initial recognition. Transaction costs directly attributable to the acquisition of financial assets at fair value through profit or loss (FVTPL) are recognised in the Statement of Profit and Loss.

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.

Deloitte Haskins & Sells Chartered Accountants



FERMI SOLARFARMS PRIVATE LIMITED

**Sale of power**
**Revenue arrangement**
The Company's revenue arrangement is based on long term PPA with its customer (Bangalore Electricity Supply Company Limited ("BESCOM")). As per the PPA the Company's performance obligation is to supply solar power at the rates specified in the PPA.

**Recognition**
Revenue from sale of power is recognized when persuasive evidence of an arrangement exists, the fee is fixed or determinable, solar energy kilowatts are supplied and collectability is reasonably assured. Revenue is based on the solar energy kilowatts actually supplied to customers multiplied by the rate per Kilo-watt hour agreed to in the respective PPAs. The solar energy kilowatts supplied by the Company are validated by the customer prior to billing and recognition of revenue.

**Measurement**
Revenue is measured at the fair value of the consideration received or receivable net of the estimated variable considerations

As per the terms of the PPA, the variable considerations include:
1. Expected compensation for non-fulfilment of minimum supply commitments - The Company is obliged to sell minimum solar power in a year as per the PPA. In case of default of aforesaid obligation, the Company is liable to pay compensation to customer as per the terms of the PPA. As at the year end the Company has estimated that no such penalty will be paid by the Company and accordingly no adjustment has been made in revenue.

2. Deviation settlement mechanism charges which is imposed for over drawl/ injection and under drawl/injection from the schedule for the generators

**Income from carbon emission reduction**
The Company recognized carbon emission reduction "CER" income in the period when it is reasonably certain that the Company will be able to comply with the conditions necessary to obtain these carbon emission reduction. Company recognise CER value at average price of open contract for sale of CER with customers.

**Sale of goods**
Revenue from sale of goods is recognised when the significant risks and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated cost can be estimated reliably, there is no continuing effective control or managerial involvement with the goods, and the amount of revenue can be measured reliably.

Revenue from rendering of services is recognised when the performance of agreed contractual task has been completed. Revenue from operations is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government.

**Interest income**
Interest Income from a Financial Assets is recognised using effective interest rate method.

Interest income from a financial asset 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 income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition. Interest income is included in the Statement of Profit and Loss.

**Dividend income**
Dividend Income is recognised when the Company's right to receive the amount has been established.

k) **Foreign currencies**
These Financial Statements are presented in Indian Rupees (INR), which is the Company's functional currency. Functional currency is the currency of the primary economic environment in which a company operates and is normally the currency in which the company primarily generates and expends cash.

Transactions in foreign currencies are initially recorded by the Company at the functional currency spot rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Exchange differences arising on settlement or translation of monetary items are recognized in profit or loss. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of gain or loss on change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognized in other comprehensive income or profit or loss are also recognized in other comprehensive income or profit or loss, respectively).

Deloitte Haskins & Sells Chartered Accountants



FERMI SOLARFARMS PRIVATE LIMITED

Foreign exchange difference on foreign currency borrowings, settlement gain/loss and fair value gain/loss on derivative contract relating to borrowings are accounted and disclosed under finance cost. Such exchange difference does not include foreign exchange difference regarded as an adjustment to the borrowings cost and capitalised with cost of assets.

**l) Income taxes**

Tax expense represents the sum of current tax and deferred tax. Current and deferred tax are recognised in the Statement of Profit and Loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

Current tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the reporting date and includes any adjustment to tax payable in respect of previous years.

Subject to exceptions below, deferred tax is provided, using the balance sheet method, on all deductible temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes, on carry forward of unused tax credits and unused tax loss:

- deferred income tax is not recognised on the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

- deferred tax assets are recognised only to the extent that it is more likely than not that they will be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Tax relating to items recognized outside profit or loss is recognised outside profit or loss (either in other comprehensive income or equity).

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

The carrying amount of deferred tax assets is reviewed at each reporting date and is adjusted to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the asset to be recovered.

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

**m) Segment reporting**

An operating segment is a component of the company that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the company's other components, and for which discrete financial information is available. All operating segments' operating results are regularly reviewed by the Company's chief operating decision maker to make decisions about resources to be allocated to the segments and assess their performance. Based on the financial information reviewed by the chief operating decision maker in deciding how to allocate the resources and in assessing the performance of the Company, the Company has determined that it has a single operating and reporting segment, i.e., sale of solar power. The Company's principal operations are located in India. Accordingly, the Company earns its entire revenue from India. All of the Company's non-current assets are located in India."

**n) Earnings per share**

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the period. Partly paid equity shares are treated as a fraction of an equity share to the extent that they are entitled to participate in dividends relative to a fully paid equity share during the reporting period. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in a rights issue, share split and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

**o) Provisions, contingencies and commitments**

**General**

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the Statement of Profit and Loss net of any reimbursement.

Deloitte Haskins & Sells Chartered Accountants



FERMI SOLARFARMS PRIVATE LIMITED

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources would be required to settle the obligation, the provision is reversed.

**Contingent assets / liabilities**

Contingent assets are not recognised. However, when realisation of income is virtually certain, then the related asset is no longer a contingent asset, and is recognised as an asset.

A disclosure for contingent liabilities is made where there is-

a) a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity; or
b) a present obligation that arises from past events but is not recognized because:

- it is not probable that an outflow of resources embodying economic benefit will be required to settle the obligation; or
- the amount of the obligation cannot be measured with sufficient reliability.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity.
Commitments include the amount of purchase order (net of advances) issued to parties for completion of assets.

Provisions, contingent liabilities, contingent assets and commitments are reviewed at each reporting period.

Provisions for onerous contracts are recognized when the expected benefit to be derived by the Company from a contract are lower than the unavoidable costs of meeting the future obligations under the contract.

**p) Impairment of non-financial assets**

Cash generating units as defined in Ind AS 36 on impairment of assets are identified at the special purpose interim balance sheet date. At the date of Special Purpose Interim Balance Sheet, if there are indications of impairment and the carrying amount of the cash generating unit exceeds its recoverable amount (i.e. the higher of the fair value less costs of disposal and value in use), an impairment loss is recognized. The carrying amount is reduced to the recoverable amount and the reduction is recognized as an impairment loss in the Statement of Profit and Loss. The impairment loss recognized in the prior accounting period is reversed to the extent of increase in the estimate of recoverable amount. Post impairment, depreciation is provided on the revised carrying value of the impaired asset over its remaining useful life.

**q) 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 fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized 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

Deloitte Haskins & Sells Chartered Accountants



FERMI SOLARFARMS PRIVATE LIMITED

- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

This note summarises accounting policy for fair value. Other fair value related disclosures are given in the relevant notes.

**r) Inventories**

Inventories comprises stores and spare parts and is carried at are carried at lower of cost and net realisable value. Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Net realisable value represents the estimated selling price in the ordinary course of business less costs necessary to make the sale.

**s) Cash and cash equivalents**

Cash consists of balances with banks which are unrestricted for withdrawal and usage. The Company considers all highly liquid financial instruments, which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, to be cash equivalents.

Short-term bank deposits are made for varying periods depending on the immediate cash requirements of the Company. Cash and cash equivalents include bank deposits having original maturity period of less than three months. Bank deposits with original maturity period of more than three months but less than 12 months are presented as 'Other bank balances'. Bank deposits with original maturity of more than twelve months are presented as 'Other financial assets'.

**t) Events occurring after the balance sheet date**

Impact of events occurring after the special purpose interim balance sheet date that provide additional information materially effecting the determination of the amounts relating to conditions existing at the special purpose interim balance sheet date are adjusted to respective assets and liabilities.

**u) Retirement and other employee benefits**

**(i) Short-term obligations** Liabilities for wages and salaries, including nonmonetary 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.

**(ii) Other long-term employee benefit obligations** The liabilities for earned leave that are not expected to be settled wholly within 12 months are 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 discount rates for Government Securities (G-Sec) at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurement as a result of experience adjustments and changes in actuarial assumptions are recognised in the Statement of Profit and Loss.

**Defined contribution plan**

Eligible employees of the Company receive benefits from the Provident Fund, administered by the Government of India, which is a defined contribution plan. Both the employees and the Company make monthly contributions to the Provident Fund equal to a specified percentage of the eligible employees' salary. The Company has no further funding obligation under the Provident Fund, beyond the contributions elected or required to be made thereunder. Contributions to the Provident Fund by the Company are charged to expense in the period in which services are rendered by the covered employees.

**Defined benefit plan**

Employees are entitled to benefits under the Payment of Gratuity Act, 1972 ('the Gratuity Act') a defined benefit post-employment plan covering eligible employees of the Company. This plan provides for a lump-sum payment to eligible employees at retirement, death, and incapacitation or on termination of employment, of an amount based on the respective employee's salary and tenure of employment.

For defined benefit retirement plan, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Remeasurement, comprising actuarial gains and losses, is reflected immediately in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Past service cost is recognised in the Statement of Profit and Loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset.

Defined benefit costs are categorised as follows: service cost (including current service cost and past service cost, as well as gains and losses on curtailments and settlements); net interest expense or income; and remeasurement. The Company presents service cost and net interest expense or income in Special Purpose Interim Statement of Profit and Loss in 'Employee benefits expense'.

Deloitte Haskins & Sells Chartered Accountants



FERMI SOLARFARMS PRIVATE LIMITED

v) **Recent Indian Accounting Standards (Ind AS)**

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting tandards) Rules as issued from time to time. On March 23, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, applicable from April 1, 2022, as below:

**Ind AS 16 – Proceeds before intended use**

The amendments mainly prohibit an entity from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, an entity will recognise such sales proceeds and related cost in profit or loss.

The Company does not expect the amendments to have any impact in its recognition of its property, plant and equipment in its financial statements.

**Ind AS 37 – Onerous Contracts - Costs of Fulfilling a Contract**

The amendments specify that that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts. The amendment is essentially a clarification and the Company does not expect the amendment to have any significant impact in its financial statements.

Ind AS 109 – Annual Improvements to Ind AS (2021)

The amendment clarifies which fees an entity includes when it applies the '10 percent' test of Ind AS 109 in assessing whether to derecognise a financial liability. The Company does not expect the amendment to have any significant impact in its financial statements.

Ind AS 116 – Annual Improvements to Ind AS (2021) The amendments remove the illustration of the reimbursement of leasehold improvements by the lessor in order to resolve any potential confusion regarding the treatment of lease incentives that might arise because of how lease incentives were described in that illustration. The Company does not expect the amendment to have any significant impact in its financial statements.

Deloitte Haskins & Sells
Chartered Accountants

FERMI SOLARFARMS PRIVATE LIMITED

(All amounts in INR millions unless stated otherwise)

## 3. Property, plant and equipment

| | Freehold land | Building & improvements | Plant & machinery | Office equipments | Computers | Vehicle | Total |
|---|---|---|---|---|---|---|---|
| **Gross block** | | | | | | | |
| **As at April 1, 2020** | 318.39 | 68.75 | 4,670.31 | 1.92 | 0.07 | 0.13 | 5,059.57 |
| Additions during the year | - | - | 1.56 | 0.08 | - | - | 1.64 |
| **As at March 31, 2021** | **318.39** | **68.75** | **4,671.87** | **2.00** | **0.07** | **0.13** | **5,061.21** |
| Additions during the year | 6.69 | - | - | - | 0.04 | - | 6.73 |
| **As at March 31, 2022** | **325.08** | **68.75** | **4,671.87** | **2.00** | **0.11** | **0.13** | **5,067.94** |
| **Accumulated depreciation** | | | | | | | |
| **As at April 1, 2020** | - | 5.13 | 348.59 | 0.22 | 0.05 | 0.01 | 354.00 |
| Depreciation for the year | - | 2.61 | 177.50 | 0.38 | 0.01 | 0.01 | 180.51 |
| **As at March 31, 2021** | **-** | **7.74** | **526.09** | **0.60** | **0.06** | **0.02** | **534.51** |
| Depreciation for the year | - | 2.61 | 177.59 | 0.38 | - | 0.01 | 180.59 |
| **As at March 31, 2022** | **-** | **10.35** | **703.68** | **0.98** | **0.06** | **0.03** | **715.10** |
| **Net Block** | | | | | | | |
| **As at March 31, 2022** | **325.08** | **58.40** | **3,968.19** | **1.02** | **0.05** | **0.10** | **4,352.84** |
| As at March 31, 2021 | 318.39 | 61.01 | 4,145.78 | 1.40 | 0.01 | 0.11 | 4,526.70 |

(i) Assets charged against borrowings - Property, plant and equipment (except Freehold land and Building & improvements) of the Company are subject to a first charge to secure the company's borrowings, refer note 13(a).

Impairment of Property, plant and equipment :
The Company periodically evaluates whether events have occurred that would render the property, plant and equipment's carrying value not recoverable. If such circumstances arise, the Company estimates the value in use by discounting the expected future operating cash flows to determine impairment effect. During the current year, no such events have occurred that would render management to evaluate impairment, however the Company has conducted impairment evaluation on value of property, plant and equipment and estimated that there is no impairment during the period ending March 31, 2022. The recoverable amount of cash generating unit is determined by the Company's management, based on a value in use calculation which uses cash flow projections and discount rate of 12.5% per annum. The recoverable amount has been calculated as per provisions of Ind AS 36. Cash flow projections are based on the future saleable energy, tariff rate, expected operation and maintenance cost, transmission cost and capital expenditure.

(All amounts in INR Millions unless stated otherwise)

**4. Non-current financial assets**

**4(a) Other financial assets**

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|
| **Unsecured, considered good** | | |
| Claim receivable* | 144.81 | 155.52 |
| Term deposits with original maturity of more than 12 months** | 329.36 | 49.01 |
| **Total** | **474.17** | **204.53** |

*During the year 2018-19, the Company had filed a petition before the Hon'ble Central Electricity Regulatory Commission ("CERC") seeking declaration of GST introduction as 'Change in Law' Event under Article 12 of the PPA executed between the Company and Solar Energy Corporation of India Limited ("SECI") and grant of consequential reliefs Company by ordering SECI to pay the compensation to the Company.

The Company has received a favourable order dated January 28, 2020 from CERC in which CERC confirmed the above claim and ordered SECI to reimburse INR 203.85 Mn with respect to GST claim. The said order further suggests annuity payment model as an alternative to the lump sum payment.

Subsequent to the above order, the Company received the claim acceptance orders dated June 20, 2020 from SECI. Further,SECI committed to pay using annuity model. In the annuity model, discount rate of 10.41 % (which is the rate of interest for loan component as per the CERC RE Tariff Order dated March 19, 2019) has been considered and accordingly annuity has been spread over a period of 11 years beginning from June 20 (as per sub-regulation (1) of Regulation 14 of RE Tariff Regulation).

Under the said annuity model, out of the total claim of INR. 203.85 Mn against GST; the Company received an upfront lumpsum amount of INR. 31.36 Mn on May 31, 2020 from SECI which relates to the period already lapsed from the commissioning date till the date of acceptance of order by SECI.

The balance claim amount to be received from SECI in future as per annuity repayment schedule. Such amount has been discounted using 10.41%. The present value computed were INR 172.49 Mn.

The Company recognized a claim receivables under other financial assets and a corresponding liability as deferred revenue under other liability. The claim receivables is initially measured at amortised cost at the present value of the future refund receivables which includes upfront amount and monthly annuity.

Deferred revenue will be amortised on straight line basis over the period of PPA.

**Term deposit of INR 329.36 ( March 2021 : 48.43) are under lien for the purpose of Debt Service Reserve Account DSRA as per requirement of lenders.
Refer note 13(a) for assets pledged as securities

**5. Non-current tax assets (net)**

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|
| Tax deducted at source and income tax refund | 12.46 | 9.44 |
| **Total** | **12.46** | **9.44** |

**6. Other non-current assets**

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|
| **Unsecured, considered good** | | |
| Security deposits | 12.22 | 9.88 |
| Capital advances | - | 1.98 |
| **Total** | **12.22** | **11.86** |

Refer note 13(a) for assets pledged as securities

**7. Inventories**

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|
| Stores and spares (lower of cost or net realisable value) | 3.02 | 2.70 |
| **Total** | **3.02** | **2.70** |

Refer note 13(a) for assets pledged as securities

Deloitte Haskins & Sells Chartered Accountants

FERMI SOLARFARMS PRIVATE LIMITED

(All amounts in INR Millions unless stated otherwise)

**8. Current financial assets**

**8(a) Investments**

| Particulars | As at March 31, 2022 | As at March 31, 2021 | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|---|---|
| **Carried at fair value through profit and loss** | Number | Number | | |
| **Investment in mutual funds (quoted)** | | | | |
| Aditya Birla Sun Life Liquid Fund - Growth - Direct Plan | - | 4,37,772 | - | 145.14 |
| Aditya Birla Sun Life Overnight Fund - Growth - Direct Plan | - | 55,142 | - | 61.37 |
| Aditya Birla Sun Life Arbitrage Fund - Growth - Direct Plan | - | 9,25,588 | - | 20.16 |
| **Total** | | | - | **226.67** |
| Aggregate book value of quoted investments | | | - | 226.67 |
| Aggregate market value of quoted investments | | | - | 226.67 |

Investment in mutual fund INR Nil ( March 2021 : 157.07) are under lien for the purpose of debt service reserve account DSRA as per requirement of lenders.

Refer note 13(a) for assets pledged as securities

**8(b) Trade receivables**

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|
| **Trade receivables** | | |
| Considered good - Secured | 65.01 | 65.62 |
| Considered good - Unsecured | 128.84 | 130.93 |
| **Total receivables** | **193.85** | **196.55** |

No trade or other receivable are due from directors or other officers of the company either severally or jointly with any other person. Nor any trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member.

Trade receivables are non-interest bearing and are generally on terms of 30 to 90 days from the date of invoice.

**Trade receivables ageing schedule as at March 31, 2022**

| Particulars | Outstanding for following periods from due date of payment | | | | | | |
|---|---|---|---|---|---|---|---|
| | Not due | Less than 6 months | 6 months -1 year | 1-2 years | 2-3 years | More than 3 years | Total |
| (i) Undisputed Trade receivables – considered good* | 135.03 | 58.82 | - | - | - | | **193.85** |
| (ii) Undisputed Trade Receivables – which have significant increase in credit risk | - | - | - | - | - | - | - |
| (iii) Undisputed Trade Receivables – credit impaired | - | - | - | - | - | - | - |
| (iv) Disputed Trade Receivables–considered good | - | - | - | - | - | - | - |
| (v) Disputed Trade Receivables – which have significant increase in credit risk | - | - | - | - | - | - | - |
| (vi) Disputed Trade Receivables – credit impaired | - | - | - | - | - | - | - |

Deloitte Haskins & Sells Chartered Accountants

FERMI SOLARFARMS PRIVATE LIMITED

(All amounts in INR Millions unless stated otherwise)

**Trade receivables ageing schedule as at March 31, 2021**

| **Particulars** | **Outstanding for following periods from due date of payment** | | | | | | |
|---|---|---|---|---|---|---|---|
| | **Not due** | **Less than 6 months** | **6 months -1 year** | **1-2 years** | **2-3 years** | **More than 3 years** | **Total** |
| (i) Undisputed Trade receivables – considered good* | 135.08 | 61.47 | - | - | - | | **196.55** |
| (ii) Undisputed Trade Receivables – which have significant increase in credit risk | - | - | - | - | - | - | - |
| (iii) Undisputed Trade Receivables – credit impaired | - | - | - | - | - | - | - |
| (iv) Disputed Trade Receivables–considered good | - | - | - | - | - | - | - |
| (v) Disputed Trade Receivables – which have significant increase in credit risk | - | - | - | - | - | - | - |
| (vi) Disputed Trade Receivables – credit impaired | - | - | - | - | - | - | - |

*Includes unbilled revenue of INR 71.02 million (as at March 31, 2021 : 72.37 million).
Refer note 13(a) for assets pledged as securities

## 8(c) Cash and cash equivalents

| **Particulars** | **As at March 31, 2022** | **As at March 31, 2021** |
|---|---|---|
| Balance with banks in current accounts | 173.13 | 16.58 |
| Bank deposits (with original maturity of less than 3 months) | - | 142.67 |
| **Total** | **173.13** | **159.25** |

For the purpose of Statement of Cash Flows, cash and cash equivalents comprise the following:

| **Particulars** | **As at March 31, 2022** | **As at March 31, 2021** |
|---|---|---|
| Balance with banks in current accounts | 173.13 | 16.58 |
| Bank deposits (with original maturity of less than 3 months) | - | 142.67 |
| **Total cash and cash equivalents** | **173.13** | **159.25** |

Refer note 13(a) for assets pledged as securities

## 8(d) Other bank balances

| **Particulars** | **As at March 31, 2022** | **As at March 31, 2021** |
|---|---|---|
| Term deposits with original maturity of more than 3 months but less than 12 months | 8.20 | 38.37 |
| **Total** | **8.20** | **38.37** |

Term deposit of INR 8.00 ( March 2021 : 38.37) are under lien for the purpose of Debt Service Reserve Account (DSRA) as per requirement of lenders and against VGF.
Refer note 13(a) for assets pledged as securities

## 8(e) Other financial assets

| **Particulars** | **As at March 31, 2022** | **As at March 31, 2021** |
|---|---|---|
| **Unsecured, considered good** | | |
| Interest accrued on fixed deposits | 0.01 | 1.20 |
| Claim receivable for change in law (refer note 4(a)) | 10.71 | 11.75 |
| **Total** | **10.72** | **12.95** |

Refer note 13(a) for assets pledged as securities

Deloitte Haskins & Sells
Chartered Accountants

FERMI SOLARFARMS PRIVATE LIMITED

(All amounts in INR Millions unless stated otherwise)

**9. Other current assets**

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|
| Advances to suppliers | 0.28 | 0.95 |
| Prepaid expenses | 0.12 | 0.14 |
| **Total** | **0.40** | **1.09** |

Refer note 13(a) for assets pledged as securities

**10. Equity share capital**

| Particulars | As at March 31, 2022 | As at March 31, 2021 | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|---|---|
| **Authorised share capital** | Number | Number | | |
| Equity shares of INR 10 each | 5,00,00,000 | 5,00,00,000 | 500.00 | 500.00 |
| **Issued, subscribed and fully paid-up** | | | | |
| Equity shares of INR 10 each | 16,16,984 | 16,16,984 | 16.17 | 16.17 |
| **Total** | | | **16.17** | **16.17** |

Refer note 13(a) for assets pledged as securities

**(a) Reconciliation of shares outstanding at the beginning and at the end of the year.**

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|
| **Equity Shares** | | |
| At the commencement of the year | 16,16,984 | 16,16,984 |
| Add: movement during the year | - | - |
| **At the end of the year** | **16,16,984** | **16,16,984** |

**(b) Terms/rights attached to equity shares:**

The Company has single class of equity shares having a par value of INR 10 per share. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the company, the holder of the equity shares will be entitled to receive remaining assets of the company, after distribution of preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

**(c) Shares held by holding company**

Shares held by its holding company are as below:

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|
| | Number of Shares | Number of Shares |
| Avaada Energy Private Limited* | 16,16,984 | 16,16,984 |

**(d) Particulars of shareholders holding more than 5% equity shares.**

| | As at March 31, 2022 | | As at March 31, 2021 | |
|---|---|---|---|---|
| | Number of Shares | % holding in the class | Number of Shares | % holding in the class |
| **Equity shares of INR 10 each fully paid-up and held by:** | | | | |
| Avaada Energy Private Limited* | 16,16,984 | 100% | 16,16,984 | 100% |

**(e) Particulars of shareholders holding of promoters.**

| | As at March 31, 2022 | | As at March 31, 2021 | |
|---|---|---|---|---|
| **Promoter name** | Number of Shares | % holding in the class | Number of Shares | % holding in the class |
| Avaada Energy Private Limited* | 16,16,984 | 100% | 16,16,984 | 100% |

*One equity share held by Mrs. Sindoor Mittal as nominee of Avaada Energy Private Limited.

**11. Instruments entirely equity in nature**

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|
| **Fully compulsorily convertible debentures (FCCDs)** | | |
| Opening balance | 759.28 | 759.28 |
| Movement during the year | - | - |
| **Closing balance** | **759.28** | **759.28** |

Each FCCD carries simple interest at the rate of 0.0001% per annum on the face value of the FCCDs. Each FCCD is mandatorily convertible into 100 equity share of INR 10 each of the Company at the expiry of 10 years from the date of subscription.

Deloitte Haskins & Sells Chartered Accountants

FERMI SOLARFARMS PRIVATE LIMITED

(All amounts in INR Millions unless stated otherwise)

**12. Other equity**

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|
| **Retained earnings** | | |
| Opening balance | 139.03 | 46.24 |
| Net profit for the year | 27.98 | 92.79 |
| Items of other comprehensive income recognised directly in retained earnings | | |
| Remeasurements of post-employment benefit obligation, net of tax | - | - |
| Less - Transfer to Debenture Redemption Reserve | (167.01) | - |
| **Closing balance (A)** | **-** | **139.03** |
| **Securities premium** | | |
| Opening balance | 25.94 | 25.94 |
| Movement during the year | - | - |
| **Closing balance (B)** | **25.94** | **25.94** |
| **Equity component of interest free related party loan** | | |
| Opening balance | 248.27 | 248.27 |
| Adjustment for repayment of loan* | (44.36) | - |
| **Closing balance (C)** | **203.91** | **248.27** |
| **Debenture Redemption Reserve** | | |
| Opening balance | - | - |
| Movement during the year** | 167.01 | - |
| **Closing balance (D)** | **167.01** | **-** |
| **Total (A+B+C+D)** | **396.86** | **413.24** |

* The Company had entered into a loan agreement dated October 03, 2017 with Avaada Energy Private Limited ("AEPL" or the "holding company") for obtaining an interest free loan amounting INR 463.60 Mn. This loan was primarily obtained interest free to meet the ratio of 25% project cost required to be maintained as promoter contribution (e.g. in the form of, equity, unsecured loan, unsecured debenture, fully convertible instruments etc.) as mentioned in the agreement entered into with the lender who is funding the remaining 75% of the project cost.

At the time of obtaining the loan for the execution of project; the Company estimated considering the economy and financial situation then that the said unsecured loan can be repaid after a period of eight years from the disbursement. The Company recorded a deemed equity of INR 248.27 Mn by discounting the loan at 10.06 % (the IBR rate then) using EIR accounting.

During the year, the Company with the permission of lender made a pre-payment of INR 130.80 Mn to AEPL in the current period out of surplus fund . Accordingly, the corresponding impact of loan prepayment INR 44.36 mn has been adjusted in other Equity.

** Under the guidelines of Sec 71(4) of the Companies Act read with Rule 18(7) of the Companies (Share Capital and Debentures) Rules, 2014, the Company has maintained the Debenture Redemption Reserve Account lower of:
(i) 15% of the amount of its NCD maturing during the year ending March 31, 2023 and 10% of the amount of remaining outstanding NCD issued, or
(ii) accumulated amount of retained earnings available at the end of the financial year.

Deloitte Haskins & Sells
Chartered Accountants

FERMI SOLARFARMS PRIVATE LIMITED

(All amounts in INR Millions unless stated otherwise)

13 Non-current financial liabilities

13(a) Long term borrowings

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|
| **Carried at amortised cost** | | |
| **Secured** | | |
| Non-Convertible Debenture (refer note (a) below) | 3,365.75 | - |
| **Term loan** | | |
| Bank | - | - |
| Financial institutions (refer note (b), (c) & (d) below) | - | 3,507.18 |
| Loan from related parties (refer note (e) below) (refer note 32) | 227.15 | 287.55 |
| | **3,592.90** | **3,794.73** |
| Less: Current maturities of long term borrowings (refer note 17(a)) | 134.80 | 157.32 |
| **Total** | **3,458.10** | **3,637.41** |

**Summary of borrowings arrangement:**

**(a) Non-Convertible Debenture INR 3365.75 (March 31, 2021: INR NIL) net of processing charges**

On March 2, 2022 the Company has issued 3,370 secured, redeemable, rated, listed non-convertible debentures "NCD" having face value of INR 1,000,000 each at fixed coupon rate of 6.75% (effective rate being 6.80% p.a.) per annum payable quarterly, at par aggregating to INR 3,370 million on private placement basis. These NCDs will be due for maturity on February 28, 2025.

These NCDs are secured by:

a. First ranking charge on both present and future comprising of moveable fixed assets, current assets, all receivables, bank accounts, all reserves maintained by the Company in relation to the Debentures.

b. first ranking security (by way of assignment / charge) over all the rights, title, interest, benefits, claims and demands under project documents,

c. exclusive pledge over up to 99.99% of the total issued and paid-up share capital of the Company and 100% of the compulsory convertible debentures approved by its shareholders,

d. Unconditional and irrevocable corporate guarantee from Avaada Solarise Energy Private Limited, Avaada SataraMH Private Limited, Clean Sustainable Energy Private Limited (on a joint and several basis) in favour of the Debenture Trustee, in accordance with the terms of the Deed of Guarantee.

As per Debenture trust deed, NCD are also secured by first ranking charge on immovable properties of the Company, including project land, however as at March 31, 2022, the Company is in process of executing necessary documentations and fillings in this regard.

**(b) Term loan from L&T Infra Debt Fund INR Nil (March 31, 2021: INR 2719.87) net of processing charges**

The loan has been fully repaid on March 02, 2022 from proceeds of Non-Convertible Debentures .'Indian rupee long term loan from financial institution carried PLR minus 645 basis points during the year (effective rate being 8.00% p.a.) payable at the end of every month. The loan was secured by first charge on entire immovable properties including, tangible/intangible assets, current assets (both present and future) including receivables,; first charge on cash and bank accounts but not limited to escrow accounts/trust and retention account and any other reserve, first charge on all the rights, title, interest, benefits, claims and demand in project agreement (including amendments in project agreement), clearances ,any guarantee, warranty , letter of credit, performance bond by any party to the project agreement. Pledge of 51% of equity shares & 100% of CCD's in the Company, held by Avaada Energy Private Limited. Assignment of Unsecured Shareholder Loan infused by the Promoter. Company has complied all loan covenant agreed.

**(c) Term loan from L&T Infra Finance Co. Ltd. INR Nil (March 31, 2021: INR 99.37) net of processing charges**

The loan has been fully repaid on March 02, 2022 from the proceeds of Non-Convertible Debentures .'Indian rupee long term loan from financial institution carried PLR minus 645 basis points during the year (effective rate being 8.25% p.a.) payable at the end of every month. The loan was secured by first charge on entire immovable properties including, tangible/intangible assets, current assets (both present and future) including receivables,; first charge on cash and bank accounts but not limited to escrow accounts/trust and retention account and any other reserve, first charge on all the rights, title, interest, benefits, claims and demand in project agreement (including amendments in project agreement), clearances ,any guarantee, warranty , letter of credit, performance bond by any party to the project agreement. Pledge of 51% of equity shares & 100% of CCD's in the Company, held by Avaada Energy Private Limited. Assignment of Unsecured Shareholder Loan infused by the Promoter. Company has complied all loan covenant agreed.

**(d) Term loan from PTC India Financial Services Ltd INR Nil (March 31, 2021: INR 687.93) net of processing charges**

Indian rupee long term loan from financial institution carried a rate of interest that shall be linked to HDFC Bank's 1 year MCLR. However, the Rupee Lender reserve the right to realign or change the Applicable Interest Rate at the appropriate time. (The current rate being 9.75% p.a.) payable at the end of every month. The principal amount is repayable in 71 quarterly instalments commencing from September 2018. The loan was secured by first charge on entire immovable properties including, tangible/intangible assets, current assets including receivables (both present and future),; first charge on cash and bank accounts but not limited to escrow accounts/trust and retention account and any other reserve, first charge on all the rights, title, interest, benefits, claims and demand in project agreement (including amendments in project agreement), clearances ,any guarantee, warranty , letter of credit, performance bond by any party to the project agreement. Pledge of 51% of equity shares & 100% of CCD's in the Company, held by Avaada Energy Private Limited (formerly known as Giriraj Renewables Private Limited). Assignment of Unsecured Shareholder Loan infused by the Promoter. Company has complied all loan covenant agreed. On October 8, 2021, PTC India Financial Services Limited has novated INR 686.96 million to L&T Infrastructure Finance Company Limited.

**(e) Loan from Avaada Energy Private Limited amounting to INR 227.15 (March 31, 2021: INR 287.55)**

The loan is interest-free and is repayable after compliances of loan conditions, prior approval and due satisfaction of lenders, as per Company estimation unsecured loan can be repaid after a period of eight years from disbursement.

Deloitte Haskins & Sells Chartered Accountants



FERMI SOLARFARMS PRIVATE LIMITED

(All amounts in INR Millions unless stated otherwise)

**14. Deferred tax assets/(liability) (net)**

The major components of income tax expense for the years ended March 31, 2022 and March 31, 2021 are:

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|
| **(a) Profit or loss section** | | |
| **Current tax:** | | |
| Current tax on profits for the year | - | - |
| Adjustments in respect of current income tax of previous year | - | - |
| **Total current tax expense** | - | - |
| | | |
| **Deferred tax charge (credit):** | | |
| Relating to origination and reversal of temporary differences | 50.92 | 41.14 |
| **Total deferred tax** | **50.92** | **41.14** |
| | | |
| **Tax expense recognised in the Statement of Profit or Loss** | **50.92** | **41.14** |

**(b) Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for March 31, 2022 and March 31, 2021**

| | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|
| **Accounting profit / (loss) before income tax** | **78.90** | **133.93** |
| At India's statutory income tax rate of 25.17% (March 31, 2021: 25.17%) | 19.86 | 33.71 |
| **Tax effect of amounts which are not deductible (taxable) in calculating taxable income:** | | |
| Effect of expenses that are not deductible in determining taxable profit | 6.94 | 6.63 |
| Tax impact of processing fees charged to Statement of Profit and Loss due to prepayment of term loan | 21.56 | - |
| Adjustments in respect of current income tax of previous year | 2.56 | 0.80 |
| **Total adjustments** | **31.06** | **7.43** |
| | | |
| **Income tax expense/ (income)** | **50.92** | **41.14** |

**(c) Deferred tax liability**

| Particulars | As at April 01, 2021 | Charge/ (credit) to Statement of Profit and Loss | Charge/(credit) to other comprehensive income | As at March 31, 2022 |
|---|---|---|---|---|
| Property, plant and equipment | (184.39) | 42.60 | - | (226.99) |
| Carried forward losses | 79.27 | 6.83 | - | 72.44 |
| Provision for expenses | (0.04) | (0.33) | - | 0.29 |
| Provision for employee benefits | 0.03 | (0.02) | - | 0.05 |
| Non-Convertible Debentures | - | 1.07 | - | (1.07) |
| Project subsidy | 36.91 | 1.67 | - | 35.24 |
| Deferred revenue on GST | 45.38 | 2.05 | - | 43.33 |
| Claim receivable | (42.10) | (2.95) | - | (39.15) |
| **Net deferred tax liability** | **(64.94)** | **50.92** | **-** | **(115.86)** |

| Particulars | As at April 01, 2020 | Charge/ (credit) to Statement of Profit and Loss | Charge/(credit) to other comprehensive income | As at March 31, 2021 |
|---|---|---|---|---|
| Property, plant and equipment | (137.06) | 47.33 | - | (184.39) |
| Carried forward losses | 76.30 | (2.97) | - | 79.27 |
| Provision for expenses | 0.07 | 0.11 | - | (0.04) |
| Provision for employee benefits | 0.02 | (0.01) | - | 0.03 |
| Project subsidy | - | (36.91) | | 36.91 |
| Deferred revenue on GST | - | (45.38) | | 45.38 |
| Claim receivable | 36.89 | 78.99 | - | (42.10) |
| **Net deferred tax liability** | **(23.78)** | **41.14** | **-** | **(64.94)** |

The Company offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

Deloitte Haskins & Sells Chartered Accountants

FERMI SOLARFARMS PRIVATE LIMITED

(All amounts in INR Millions unless stated otherwise)

## 15. Other non-current liabilities

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|
| **Carried at amortised cost** | | |
| Deferred revenue on GST (refer note 4(a)) | 164.02 | 172.17 |
| Project subsidy (Viability Gap Funding)* | 133.33 | 140.00 |
| **Total** | **297.35** | **312.17** |

*The Company is eligible for Viability Gap Funding (VGF) support on project commercial operation of project, Company has received VGF INR 160.00 from SECI and recognised amount received as deferred revenue receipt under description of Capital subsidy.

## 16. Long term provisions

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|
| **Provision for employee benefits** | | |
| Gratuity (refer note 30) | 0.12 | 0.07 |
| Leave encashment | 0.06 | 0.03 |
| **Total** | **0.18** | **0.10** |

## 17. Current financial liabilities

### 17(a) Short term borrowings

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|
| **Carried at amortised cost** | | |
| Current maturities of long-term borrowings | 134.82 | 157.32 |
| Loans from related parties (refer note 32) | 35.73 | 6.16 |
| **Total** | **170.55** | **163.48** |

**Terms and conditions:**

**(a) Loan from related parties**

**Interest free loan from Avaada Energy Private Limited amounting to INR 11.88 (March 31, 2021: INR 5.70)**

**Interest free loan from Avaada Clean Project Limited amounting to INR 23.85 (March 31, 2021: INR 0.06 )**

The borrowing is in the nature of revolving credit facility as and when requested by the Company. It is interest-free and does not have a fixed tenure. The loan is repayable on demand. As at March 31, 2022, considering the size of the loan amount, the management has concluded that the related interest expense is immaterial and has not recognised any deemed equity.

### 17(b) Trade payables

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|
| **Carried at amortised cost** | | |
| Total outstanding dues of micro and small enterprises (refer note 37) | 0.11 | - |
| Total outstanding dues to creditors other than micro and small enterprises | 10.66 | 6.61 |
| **Total** | **10.77** | **6.61** |

**Trade payable ageing schedule as at March 31, 2022:**

| Particulars | | Outstanding for following periods from due date of payment | | | | |
|---|---|---|---|---|---|---|
| | Not due | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | Total |
| (i) MSME | - | 0.11 | - | - | - | 0.11 |
| (ii) Others | - | 9.37 | 1.27 | 0.00 | 0.02 | 10.66 |
| (iii) Disputed dues – MSME | - | - | - | - | - | - |
| (iv)Disputed dues - Others | - | - | - | - | - | - |

**Trade payable ageing schedule as at March 31, 2021:**

| Particulars | | Outstanding for following periods from due date of payment | | | | |
|---|---|---|---|---|---|---|
| | Not due | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | Total |
| (i) MSME | - | - | - | - | - | - |
| (ii) Others | - | 6.61 | - | - | - | 6.61 |
| (iii) Disputed dues – MSME | - | - | - | - | - | - |
| (iv)Disputed dues - Others | - | - | - | - | - | - |

Deloitte Haskins & Sells Chartered Accountants

FERMI SOLARFARMS PRIVATE LIMITED

(All amounts in INR Millions unless stated otherwise)

**18. Other current liabilities**

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|
| Statutory dues | 1.07 | 1.89 |
| Deferred revenue on GST (refer note 4(a)) | 8.15 | 8.15 |
| Project subsidy as viability gap funding | 6.67 | 6.67 |
| **Total** | **15.89** | **16.71** |

**19. Short term provisions**

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|
| **Provision for employee benefits*** | | |
| Gratuity (refer note 30)* | - | - |
| Leave encashment** | - | - |
| **Total** | - | - |

*Expressed in absolute - Gratuity INR 1702 (March 2021: INR 868.00)
**Expressed in absolute - Leave encashment INR 1415 (March 2021; INR 648.00)

Deloitte Haskins & Sells Chartered Accountants

FERMI SOLARFARMS PRIVATE LIMITED

(All amounts in INR Millions unless stated otherwise)

**20. Revenue from operations**

| Particulars | For the year ended March 31, 2022 | For the year ended March 31, 2021 |
|---|---|---|
| Sale of electricity* | 667.23 | 703.74 |
| **Other operating revenue** | | |
| Revenue from Goods and Service Tax claim(refer note 4(a)) | 8.15 | 23.52 |
| **Total** | **675.38** | **727.26** |

*Revenue from sale of electricity is net off deviation charges INR 5.46 (March 2021: INR 5.50).

**21. Other Income**

| Particulars | For the year ended March 31, 2022 | For the year ended March 31, 2021 |
|---|---|---|
| Profit on sale of investments | 6.54 | 4.93 |
| Interest income on deposits | 8.35 | 10.98 |
| Unwinding interest income on GST claim (refer note 4(a)) | 16.74 | 14.68 |
| Change in fair value of mutual fund investments | - | 0.88 |
| Project subsidy (Viability Gap Funding) (refer note 15) | 6.67 | 6.67 |
| Sale of CER credit | - | 6.61 |
| Gain on foreign exchange | 0.16 | 22.48 |
| Liability no longer required | 0.05 | - |
| Interest on income tax refund | - | 0.62 |
| **Total** | **38.51** | **67.85** |

**22. Employee benefits expense**

| Particulars | For the year ended March 31, 2022 | For the year ended March 31, 2021 |
|---|---|---|
| Salary, wages and bonus | 3.09 | 2.11 |
| Contribution to provident fund and other funds | 0.13 | 0.09 |
| Gratuity expense (Refer note 30) | 0.05 | 0.04 |
| Leave encashment | 0.03 | 0.02 |
| Staff Welfare | 0.18 | 0.11 |
| **Total** | **3.48** | **2.37** |

**23. Finance Cost**

| Particulars | For the year ended March 31, 2022 | For the year ended March 31, 2021 |
|---|---|---|
| **Interest costs on account of** | | |
| Loan from bank | - | 44.09 |
| Loan from financial institution | 264.04 | 305.39 |
| Loans from related parties (refer note 32) | 26.05 | 26.28 |
| Interest on Non Convertible Debenture | 18.19 | - |
| Delayed payment of statutory dues | 0.04 | 0.07 |
| Bank charges on bank guarantee | 0.18 | 0.25 |
| **Other borrowing costs** | | |
| Processing fee | 85.76 | 5.35 |
| LUT commission charges | - | 10.35 |
| Others | 1.24 | 8.95 |
| **Total** | **395.50** | **400.73** |

**24. Depreciation expenses**

| Particulars | For the year ended March 31, 2022 | For the year ended March 31, 2021 |
|---|---|---|
| Depreciation on property, plant and equipment | 180.59 | 180.51 |
| **Total** | **180.59** | **180.51** |

Deloitte Haskins & Sells Chartered Accountants

FERMI SOLARFARMS PRIVATE LIMITED

(All amounts in INR Millions unless stated otherwise)

**25. Other expenses**

| Particulars | For the year ended March 31, 2022 | For the year ended March 31, 2021 |
|---|---|---|
| Rent & Brokerage expense | 0.29 | 5.02 |
| Legal and professional expenses | 2.58 | 2.85 |
| Fees and subscription | 0.20 | 0.32 |
| Electricity expenses | 6.77 | 13.58 |
| Insurance expenses | 6.24 | 7.84 |
| Auditor remuneration* | 1.53 | 0.59 |
| Printing and stationery | 0.04 | 0.05 |
| Guest house expenses | 0.21 | 0.12 |
| Plant maintenance expenses | 17.49 | 15.72 |
| Security expenses | 9.40 | 7.75 |
| Travelling and conveyance | 0.87 | 0.63 |
| Rates and taxes | 7.38 | - |
| Electricity Sale expenses | 0.19 | 0.46 |
| Project delay penalty | - | 21.69 |
| CSR expenses (refer note 27) | 1.50 | 0.55 |
| Miscellaneous expenses | 0.72 | 0.38 |
| **Total** | **55.41** | **77.55** |

***Payment to auditors**

| Particulars | For the year ended March 31, 2022 | For the year ended March 31, 2021 |
|---|---|---|
| Statutory audit fee (including GST) | 0.65 | 0.59 |
| Other services | 0.89 | - |
| **Total** | **1.54** | **0.59** |

**26. Earnings per share (EPS)**

| **Earnings per share:** | | |
|---|---|---|
| Basic | 0.36 | 1.20 |
| Diluted | 0.36 | 1.20 |

**Basic earnings per share:**

The earnings and weighted average number of equity shares used in the calculation of basic earnings per share are as follows

| Particulars | For the year ended March 31, 2022 | For the year ended March 31, 2021 |
|---|---|---|
| Profit for the year | 27.99 | 92.81 |
| Earnings used in the calculation of basic earnings per share from continuing operations | 27.99 | 92.81 |
| Weighted average number of equity shares for the purposes of basic earnings per share* | 7,75,45,184 | 7,75,45,184 |

*FCCD considered as equity for calculating weighted average number of equity share

**Diluted earnings per share:**

| Particulars | For the year ended March 31, 2022 | For the year ended March 31, 2021 |
|---|---|---|
| Profit for the year | 27.99 | 92.81 |
| Earnings used in the calculation of basic and diluted earnings per share from continuing operations | 27.99 | 92.81 |

The weighted average number of equity shares for the purposes of diluted earnings per share reconciles with the weighted average number of equity shares used in the calculation of basic earnings per share as follows:

| | | |
|---|---|---|
| Weighted average number of equity shares used in the calculation of basic earnings per share | 7,75,45,184 | 7,75,45,184 |
| Weighted average number of equity shares used in the calculation of diluted earnings per share | 7,75,45,184 | 7,75,45,184 |

There is no potential equity shares that are anti-dilutive and therefore not considered for the weighted average number of equity shares for the purpose of diluted earnings per share.

(All amounts in INR Millions unless stated otherwise)

**27. Disclosure relating to Corporate Social Responsibility (CSR) Expenditure**

As per provisions of Section 135 of the Companies Act, 2013, the Company has to spend at least 2% of the average profits of the preceding three financial years towards CSR. Accordingly, a CSR committee has been formed for carrying out the CSR activities as per Schedule VII of the Companies Act, 2013.

| Particulars | For the year ended March 31, 2022 | For the year ended March 31, 2021 |
|---|---|---|
| (i) Gross amount required to be spent by the Company during the year | 1.44 | 0.55 |
| (ii) Amount spent during the year on the following in cash | 1.50 | 0.55 |
| (iii) Shortfall at the end of the year | - | - |
| (iv) Total of previous years shortfall | - | - |
| (v) Reason for shortfall | Not applicable | Not applicable |
| (vi) Nature of CSR activities | Preventive healthcare | Preventive healthcare |
| (vii) Details of related party transactions, e.g., contribution to a trust controlled by the company in relation to CSR expenditure as per relevant Accounting Standard* | 1.50 | 0.55 |
| (viiii) Where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision during the year | Not applicable | Not applicable |

*Represents contribution to Avaada foundation a controlled trust to support the education, empowerment, health, environment and rural electrification, emphazing more on women education and empowerment.

**28. Financial Ratio**

| | Particulars | For the year ended March 31, 2022 | For the year ended March 31, 2021 | Variance % |
|---|---|---|---|---|
| 1 | Current Ratio (in times) (Current Assets/Current Liabilities)<br>**Reasons for variance:-** Decrease in investment and current bank deposits resulted in decrease in current asset. | 1.97 | 3.41 | -42% |
| 2 | Debt-Equity Ratio (in times) [Total Debt/ Equity]* | 3.10 | 3.20 | -3% |
| 3 | Debt Service Coverage Ratio (in times)<br>[(Profit after Tax excluding exceptional items + Finance Cost+ Depreciation / (Interest payment + Principal repayment)] ** | 1.68 | 1.69 | -1% |
| 4 | Return on Equity Ratio ( in times) (Profit after tax /Average shareholder<br>**Reasons for variance:-** Reduction of net income (PAT) due to pre-payment penalty and processing fees charged in the Statement of Profit and Loss on account of prepayments of existing borrowing. | 0.02 | 0.08 | -71% |
| 5 | Inventory Turnover Ratio (Net Sales/Average inventory)*** | Not applicable | Not applicable | Not applicable |
| 6 | Trade Receivable Turnover Ratio (in times) [(Revenue from operations) /Average Trade Receivable)] | 3.46 | 3.70 | -7% |
| 7 | Net capital turnover ratio ( Revenue from operations / Working capital)<br>**Reasons for variance:-** Decrease in investment and current bank deposits resulted in decrease in current asset. | 3.52 | 1.61 | 118% |
| 8 | Trade payables turnover ratio=Net credit purchases / Average Payable**** | Not applicable | Not applicable | Not applicable |
| 9 | Net Profit ratio (%) [Profit after tax/Revenue from Operations] | 4.14% | 12.76% | -9% |
| 10 | Return on Capital employed (Profit before tax+finance cost)/(Tangible net worth + Total debt* + Deferred tax liabilities) | 9.65% | 10.58% | -1% |
| 11 | Return on investment = Income generated from investments / Time weighted average investments***** | Not applicable | Not applicable | Not applicable |

*Total debt Includes non-current borrowing and current borrowing.
**Interest payment and repayments represents the future interest payments and repayments of long term debt due within twelve months of the reporting date.
***Not Applicable, as the Company has only inventory of stores and spares parts. There is no inventory of finished goods.
****As the company payables outstanding are for other expenses, for which no credit period is defined
*****As the Company has made short term investments (bank deposits and mutual funds) for utilising the surplus fund
The above financial ratios measures presented may not be comparable to similarly titled measures reported by other companies.

Deloitte Haskins & Sells Chartered Accountants

FERMI SOLARFARMS PRIVATE LIMITED

## 28. (b) OTHER STATUTORY INFORMATION

a) The Company do not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.

b) The Company do not have any transactions with companies struck off.

c) The Company do not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.

d) The Company have not traded or invested in crypto currency or virtual currency during the financial year.

e) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

f) All the title deeds/ lease deed of immovable properties are held in the name of the Company as at the balance sheet date.

g) The Company have not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or;
ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

h) The Company have not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or;
ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

i) The Company have not any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).

Deloitte Haskins & Sells
Chartered Accountants

**29. Disclosure of significant accounting judgements, estimates and assumptions**

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

**Judgements, estimates and assumptions**

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

**Significant judgements, estimates and assumptions are as specified below:-**

**Useful lives of property, plant and equipment**

The Company reviews the useful life of property, plant and equipment at the end of each reporting period. This reassessment may result in change in depreciation expense in future periods.

**Taxes**

Deferred tax assets are recognised for unabsorbed tax losses, unabsorbed depreciation and all deductible temporary differences, to the extent that it is probable that future taxable profit will be available against which they can be utilised. Management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

The Company has reviewed tax losses and unabsorbed depreciation, and determined that it is probable that sufficient future taxable profits will be available against which such tax losses and unabsorbed depreciation can be utilised. Thus, the Company has recognized a corresponding deferred tax asset on the same.

Any changes in these assumptions may have an impact on the measurement of the deferred taxes in future

**Defined benefit plans (gratuity benefits)**

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

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds in India.

The mortality rate is based on publicly available mortality tables for the specific countries. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates in India.

**Fair value of interest-free long term loans**

The fair value of interest-free loans is determined using discounted cash flow method using a market interest rate of a comparable instrument having the same terms. The difference between the fair value and transaction value has been considered as deemed equity contribution from the parent company hence recognised and included in equity.

Deloitte Haskins & Sells
Chartered Accountants

FERMI SOLARFARMS PRIVATE LIMITED

(All amounts in INR Millions unless stated otherwise)

**30. Gratuity and other post employment benefit plans**

**(a) Defined benefit plan - gratuity**

The Company has a defined benefit for gratuity. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service. The Company provides for the liability in its books of accounts based on the actuarial valuation. The following tables summarize the components of net benefit expense recognized in the statement of profit and loss and the funded status and amounts recognized in the balance sheet for the respective plans.

**The principal assumptions used in determining gratuity benefit obligations for the Company's plan are shown below:**

| | March 31, 2022 | March 31, 2021 |
|---|---|---|
| Discount rate | 7.40% | 6.88% |
| Salary increment rate | 7.00% | 7.00% |
| Retirement age AVP and below | 60 years | 60 years |
| Retirement age VP and above | 60 years | 60 years |
| Mortality table | Indian Assured lives Mortality (2012-14) | Indian Assured lives Mortality (2012-14) |

| **Withdrawal rates: age related and past experience** | **% Withdrawal** | |
|---|---|---|
| **Age** | **March 31, 2022** | **March 31, 2021** |
| Upto 30 year | 3% | 3% |
| Between 31 and 44 years | 2% | 2% |
| Above 44 years | 1% | 1% |

The principal assumptions are the discount rate and salary growth rate. The discount rate is generally based upon the market yield available on the Government bonds at the accounting date with a term that matches that of the liabilities and the salary growth rate takes account of inflation, seniority, promotion and other relevant factors on long term basis.

| **Changes in the present value of the defined benefit obligation are as follows:** | **March 31, 2022** | **March 31, 2021** |
|---|---|---|
| Current service cost | 0.05 | 0.03 |
| Interest cost | 0.00 | 0.01 |
| Re-measurements | 0.00 | 0.01 |
| Benefits paid | | (0.01) |
| **Closing defined benefit obligation** | **0.05** | **0.04** |

*Expressed in absolute - Interest cost Rs. 4,997 and Re-measurements Rs. 1,935

| **Balance sheet** | **March 31, 2022** | **March 31, 2021** |
|---|---|---|
| Present value of defined benefit obligation | (0.05) | (0.04) |
| Fair value of plan assets | - | - |
| **Plan asset / (liability)** | (0.05) | **(0.04)** |

| **Expenses recognised in statement of profit and loss** | **March 31, 2022** | **March 31, 2021** |
|---|---|---|
| Interest cost | 0.00 | 0.01 |
| Current service cost | 0.05 | 0.03 |
| Acquisition Adjustment | - | - |
| **Net benefit expense** | **0.05** | **0.04** |

*Expressed in absolute - Interest cost Rs. 4,997

| **Expenses recognised in Statement of other comprehensive income** | **March 31, 2022** | **March 31, 2021** |
|---|---|---|
| Actuarial (gain) / loss | | |
| Due to change in demographic assumptions | - | - |
| Due to change in financial assumptions | (0.01) | (0.00) |
| Due to change in experience adjustments | 0.02 | 0.01 |
| **Total expense recognised in statement of other comprehensive income** | **0.01** | **0.01** |

*Expressed in absolute - expense recognised in OCI Rs. 1,935

Deloitte Haskins & Sells Chartered Accountants

FERMI SOLARFARMS PRIVATE LIMITED

(All amounts in INR Millions unless stated otherwise)

**A quantitative sensitivity analysis for significant assumption as at March 31, 2022 is as shown below:**

| | Discount rate | | Salary growth rate | |
|---|---|---|---|---|
| Sensitivity Level | 0.50% increase | 0.50% decrease | 0.50% increase | 0.50% decrease |
| Increase/ (decrease) in defined benefit obligation | (0.01) | 0.01 | 0.01 | (0.01) |

**A quantitative sensitivity analysis for significant assumption as at March 31, 2021 is as shown below:**

| | Discount rate | | Salary growth rate | |
|---|---|---|---|---|
| Sensitivity Level | 0.50% increase | 0.50% decrease | 0.50% increase | 0.50% decrease |
| Increase/ (decrease) in defined benefit obligation | (0.01) | 0.01 | 0.01 | (0.01) |

Sensitivities due to mortality & withdrawals are not material hence impact of change due to these is not calculated. Sensitivities as to rate of increase of pensions in payment, rate of increase of pensions before retirement and life expectancy are not applicable.

The following payments are expected contributions to the defined benefit plan in future years:

| | March 31, 2022 | March 31, 2021 |
|---|---|---|
| Within one year* | 0.00 | 0.00 |
| 1-5 years | 0.04 | 0.02 |
| More than 5 years | - | - |

*Expressed in absolute- within one year Rs. 4,624

The average duration of the defined benefit plan obligation at the end of the reporting period is 3.38 years (March 31, 2021: 2.77)

**Description of risk exposures:**

Valuations are based on certain assumptions, which are dynamic in nature and vary over time. As such company is exposed to various risks as follows:

a) Salary Increases- Actual salary increases will increase the Plan's liability. Increase in salary increase rate assumption in future valuations will also increase the liability.

b) Discount Rate : Reduction in discount rate in subsequent valuations can increase the plan's liability.

c) Mortality & disability – Actual deaths & disability cases proving lower or higher than assumed in the valuation can impact the liabilities.

d) Withdrawals – Actual withdrawals proving higher or lower than assumed withdrawals and change of withdrawal rates at subsequent valuations can impact plan's liability.

**(b) Compensated absence : The amount of the provision INR 0.06 (March 31 2021: INR 0.03)**

**The principal assumptions used in determining compensated absence obligations for the Company's plan are shown below:**

| | March 31, 2022 | March 31, 2021 |
|---|---|---|
| Discount rate | 7.40% | 6.88% |
| Salary increment rate | 7.00% | 7.00% |
| Leave availment rate | 0.50% | 0.50% |
| Retirement age AVP and below | 60 years | 60 years |
| Retirement age VP and above | 60 years | 60 years |
| Mortality table | Indian Assured lives Mortality (2012-14) | Indian Assured lives Mortality (2012-14) |

| **Withdrawal rates: age related and past experience** | **% Withdrawal** | |
|---|---|---|
| **Age** | **March 31, 2022** | **March 31, 2021** |
| Upto 30 year | 3% | 3% |
| Between 31 and 44 years | 2% | 2% |
| Above 44 years | 1% | 1% |

**A quantitative sensitivity analysis for significant assumption as at March 31, 2022 is as shown below:**

| | Discount rate | | Salary growth rate | |
|---|---|---|---|---|
| Sensitivity Level | 0.50% increase | 0.50% decrease | 0.50% increase | 0.50% decrease |
| Increase/ (decrease) in defined benefit obligation | (0.01) | 0.01 | 0.01 | (0.01) |

**A quantitative sensitivity analysis for significant assumption as at March 31, 2021 is as shown below:**

| | Discount rate | | Salary growth rate | |
|---|---|---|---|---|
| Sensitivity Level | 0.50% increase | 0.50% decrease | 0.50% increase | 0.50% decrease |
| Increase/ (decrease) in defined benefit obligation | (0.00) | 0.00 | 0.00 | (0.00) |

**(c) Defined contribution plan**

During the year, the Company has recognised the following amounts in the Statement of Profit and Loss

| | March 31, 2022 | March 31, 2021 |
|---|---|---|
| Employers' Contribution to Employee's Provident Fund | 0.13 | 0.09 |
| | 0.13 | 0.09 |

Haskins & Sells Deloitte Chartered Accountants

FERMI SOLARFARMS PRIVATE LIMITED

(All amounts in INR Millions unless stated otherwise)

**31. Operating Segments**

The Company's Board of Directors' is considered to be the chief operating decision maker in accordance with Ind AS 108. Based on the financial information reviewed by the chief operating decision maker in deciding how to allocate the resources and in assessing the performance of the Company, the Company has determined that it has a single operating and reporting segment, i.e., sale of power. The Company's principal operations are located in India. Accordingly, the Company earns its entire revenue from India. All of the Company's non current assets are located in India.

**32. Related party transactions**

**(i) Names of related parties and related party relationship**

**(a) Related parties where control exists**

| | |
|---|---|
| Ultimate holding Company | Avaada Ventures Private Limited |
| Holding Company | Avaada Energy Private Limited |
| Fellow subsidiaries | Avaada Clean Project Private Limited<br>Avaada SataraMH Private Limited<br>Clean Sustainable Energy Private Limited<br>Avaada Solarise Energy Private Limited<br>Avaada Foundation |
| Key managerial personnel | Prashant Choubey (Director)<br>Ravi Kant Verma (Director)<br>Shweta Manik Mankar (Company secretary) |

**(ii) Transaction with related parties during the year**

| Particulars | Holding Company and other related party | |
|---|---|---|
| | March 31, 2022 | March 31, 2021 |
| **Repayments of long term borrowings** | **130.80** | **-** |
| Avaada Energy Private Limited | 130.80 | - |
| | | |
| **Proceeds from current borrowings** | **33.93** | **35.00** |
| Avaada Energy Private Limited | 33.93 | 35.00 |
| | | |
| **Repayment of current borrowings** | **34.45** | **31.43** |
| Avaada Energy Private Limited | 34.33 | 31.43 |
| Avaada Clean Project Private Limited | 0.13 | - |
| | | |
| **Reimbursement of expenses on behalf of company** | **30.10** | **3.71** |
| Avaada Energy Private Limited | 6.19 | 3.64 |
| Avaada Clean Project Private Limited | 23.91 | 0.06 |
| | | |
| **Contribution of fund in relation to CSR expenditure** | **1.50** | **0.55** |
| Avaada Foundation | 1.50 | 0.55 |

**Compensation to key managerial personnel**

No remuneration has been paid to the directors of the Company for the services received during the year ended March 31, 2022

**(iii) Balances outstanding at the end of the year**

| Particulars | Holding company | |
|---|---|---|
| | March 31, 2022 | March 31, 2021 |
| **Long term loan payable** | **332.80** | **463.60** |
| Avaada Energy Private Limited* | 332.80 | 463.60 |
| | | |
| **Current borrowings** | **35.73** | **6.10** |
| Avaada Energy Private Limited | 11.89 | 6.10 |
| Avaada Clean Project Private Limited | 23.85 | 0.06 |
| | | |

*including equity component of INR 203.91 million (As at March 31, 2021: INR 248.27 million).
All the amounts payable to related parties above are unsecured and will be settled in cash.

**(iv)** Avaada SataraMH Private Limited, Clean Sustainable Energy Private Limited and Avaada Solarise Energy Private Limited has given corporate guarantee for an amount INR 11,030.00 ( March 31, 2021: Nil) in favour of debenture holder of the Companies.

Deloitte Haskins & Sells Chartered Accountants

FERMI SOLARFARMS PRIVATE LIMITED

(All amounts in INR Millions unless stated otherwise)

**33. Fair values**

The carrying amounts and fair value of the Company's financial instruments, other than those with carrying amounts that are reasonable approximations of fair values:

| | Note | Carrying value | | Fair value | |
|---|---|---|---|---|---|
| | | As at March 31, 2022 | As at March 31, 2021 | As at March 31, 2022 | As at March 31, 2021 |
| **Financial assets** | | | | | |
| **Measured at amortised cost** | | | | | |
| Claim receivables | 4(a) and 8(e) | 155.52 | 167.27 | 155.52 | 167.27 |
| Bank deposits | 4(a) and 8(d) | 337.56 | 87.38 | 337.56 | 87.38 |
| Investments | 8(a) | - | 226.67 | - | 226.67 |
| Trade receivables | 8(b) | 193.85 | 196.55 | 193.85 | 196.55 |
| Cash and cash equivalents | 8(c) | 173.13 | 159.25 | 173.13 | 159.25 |
| Other bank balances | 8(d) | 8.20 | 38.37 | 8.20 | 38.37 |
| Interest accrued on fixed deposits | 8(e) | 0.01 | 1.20 | 0.01 | 1.20 |
| **Financial liabilities** | | | | | |
| **Measured at amortised cost** | | | | | |
| Borrowings from banks and financial institutions (including current maturities) | 13(a) | - | 3,507.18 | - | 3,507.18 |
| Non-Convertible Debenture | 13(a) | 3,365.75 | - | 3,365.75 | - |
| Long term borrowings from related parties | 13(a) | 227.15 | 287.55 | 227.15 | 287.55 |
| Short term borrowings from related parties | 17(a) | 35.73 | 6.16 | 35.73 | 6.16 |
| Trade payables | 17(b) | 10.77 | 6.61 | 10.77 | 6.61 |

**34. Fair value hierarchy**

The fair value hierarchy is based on inputs to valuation techniques that are used to measure fair value that are either observable or unobservable and consists of the following three levels:

- Level 1 — 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

**Quantitative disclosures fair value measurement hierarchy for assets as at March 31, 2022**

| | Total | Fair value measurement using | | |
|---|---|---|---|---|
| | | Quoted prices in active markets | Significant observable inputs | Significant unobservable inputs |
| **Financial assets measured at FVTPL:** | | **(Level 1)** | **(Level 2)** | **(Level 3)** |
| - Investments in Mutual fund | - | - | | |

**Quantitative disclosures fair value measurement hierarchy for assets as at March 31, 2021**

| | Total | Fair value measurement using | | |
|---|---|---|---|---|
| | | Quoted prices in active markets | Significant observable inputs | Significant unobservable inputs |
| **Financial assets measured at FVTPL:** | | **(Level 1)** | **(Level 2)** | **(Level 3)** |
| - Investments in Mutual fund | 226.67 | 226.67 | | |

(All amounts in INR Millions unless stated otherwise)

**35. Financial risk management objectives and policies**

In its ordinary operations, the Company's activities expose it to the various types of risks, which are associated with the financial instruments and markets in which it operates. The Company has a risk management policy which covers the foreign exchanges risks and other risks associated with the financial assets and liabilities such as interest rate risks and credit risks. The risk management policy is approved by the board of directors. The following is the summary of the main risks:

**(a) Market risk**

Market risk is the risk that changes in market prices, such as foreign exchange rates (currency risk) and interest rates (interest rate risk) will affect the Company's income or value of it's holding of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

**(i) Interest rate risk**

Interest rate risk is the risk that the fair that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The capital expenditure of the company is financed by loans, the shareholders' fund and internal proceeds. The interest bearing loans of the Company comprises of both fixed and floating rate.

**Interest rate sensitivity**

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on loans and borrowings. With all other variables held constant, the Company's profit before tax is affected on account of impact on floating rate borrowings, as follows:

| | Amount of loan | Increase/(decrease) in % | Effect on profit(loss) before tax |
|---|---|---|---|
| **March 31, 2022** | | | |
| Non-Convertible Debenture | 3365.75 | | |
| Impact on profit before tax on account of increase in interest cost | | 1.00% | 33.66 |
| Impact on profit before tax on account of decrease in interest cost | | -1.00% | (33.66) |
| **March 31, 2021** | | | |
| Term Loan from banks and financial institutions | 3507.18 | | |
| Impact on profit before tax on account of increase in interest cost | | 1.00% | 35.07 |
| Impact on profit before tax on account of decrease in interest cost | | -1.00% | (35.07) |

**(ii) Foreign currency risk**

The Company is not exposed to any material foreign currency risk.

**(b) Credit risk**

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 is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments. Credit risk is managed by company's established policy, procedures and control relating to customer credit risk management.

Financial assets that potentially exposed the Company to credit risk are listed below:

| **Particulars** | **As at March 31, 2022** | **As at March 31, 2021** |
|---|---|---|
| Trade receivables | 193.85 | 196.55 |
| Claim receivables | 155.52 | 167.27 |
| Other financial assets | 0.01 | 1.20 |
| **Total** | **349.38** | **365.02** |

Deloitte Haskins & Sells
Chartered Accountants

FERMI SOLARFARMS PRIVATE LIMITED

(All amounts in INR Millions unless stated otherwise)

**(i) Trade receivables**

Customer Credit risk is managed on the basis of Company's established policy, procedures and control relating to customer credit risk management. Outstanding customer receivables are regularly monitored. The company evaluates the concentration of risk with respect to trade receivables as high. Company primarily generates revenue from sale of power to single off taker i.e. SECI, which is the sole customer of the Company. SECI is high rated public sector undertaking with credit rating of A1+ as per ICRA Limited. However since the trade receivables mainly comprise of state utilities /government entities ,the company does not foresee any credit risk attached to receivables from such state utilities /government entities. The company does not hold collateral as security.

**(ii) Financial instruments and cash deposits**

Credit risk from balances with banks are managed by the Company's management in accordance with the approved policy. Investments of surplus funds are made only with approved counterparties. Counterparty credit limits are reviewed by the management on an annual basis. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments.

**(c) Liquidity risk**

Liquidity risks are managed by the Company's management in accordance with Company's policy. The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of bank loans and equity shares. The company attempts to ensure that there is a balance between the timing of outflow and inflow of funds. The Company assessed the concentration of risk with respect to refinancing its debt and concluded it to be low since company has access to a sufficient variety of sources of funding. The Company is not subject to any restrictions on the use of its capital that could significantly impact its operations. In light of these facilities, the Company is not exposed to any significant liquidity risk.

**Liquidity and Interest risk tables**

The following tables summarises the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company is required to pay. The tables include both interest and principal cash flows to the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate at the end of the reporting period. The contractual maturity is based on the earliest date on which the Company is required to pay.

The table below provides details regarding the contractual maturities of financial liabilities as at March 31, 2022:

| Particulars | Effective interest rate (% p.a.) | Within 1 year | Between 1 and 5 years | More than 5 years | Total | Carrying amount |
|---|---|---|---|---|---|---|
| **Variable interest rate** | | | | | | |
| Term loan from banks* | | - | - | - | - | |
| Non Convertible Debenture | 6.80% | 358.87 | 3,631.56 | - | 3,990.43 | 3365.75 |
| **Non-Interest bearing** | | | | | | |
| Long-term loan from related parties | | - | - | 332.80 | 332.80 | 227.15 |
| Short term borrowings | | 35.73 | - | - | 35.73 | 35.73 |
| Trade payables | | 10.77 | - | - | 10.77 | 10.77 |
| | | **405.37** | **3,631.56** | **332.80** | **4,369.73** | **3,639.40** |

*Includes principal and interest cash flows.

The following table summarises the Company's expected maturity for its non-derivative financial assets. The table has been drawn up based on the undiscounted contractual maturities of the financial assets including interest that will be earned on those assets.

| Particulars | Effective interest rate (% p.a.) | Within 1 year | Between 1 and 5 years | More than 5 years | Total | Carrying amount |
|---|---|---|---|---|---|---|
| **Variable interest rate** | | | | | | |
| Bank deposits** | 3.00% - 5.10% | 8.24 | 344.17 | | 352.42 | 337.56 |
| Claim receivable** | 10.41% | 26.40 | 105.59 | 109.99 | 241.97 | 155.52 |
| **Non-Interest bearing** | | | | | | |
| Investments | | - | - | - | - | - |
| Trade receivables | | 193.85 | - | - | - | 193.85 |
| Cash and cash equivalents | | 173.13 | - | - | - | 173.13 |
| Other bank balances | | 8.20 | - | - | - | 8.20 |
| Interest accrued on fixed deposits | | 0.01 | - | - | - | 0.01 |
| | | **409.83** | **449.76** | **109.99** | **594.39** | **868.27** |

Deloitte Haskins & Sells Chartered Accountants

FERMI SOLARFARMS PRIVATE LIMITED

(All amounts in INR Millions unless stated otherwise)

The table below provides details regarding the contractual maturities of financial liabilities as at March 31, 2021:

| Particulars | Effective interest rate (% p.a.) | Within 1 year | Between 1 and 5 years | More than 5 years | Total | Carrying amount |
|---|---|---|---|---|---|---|
| **Variable interest rate** | | | | | | |
| Term loan from financial institutions* | 8.00% - 9.75% | 218.34 | 1,711.40 | 4,002.83 | 5,932.57 | 3,507.18 |
| **Non-Interest bearing** | | | | | | |
| Long-term loan from related parties | | - | - | 463.60 | 463.60 | 287.55 |
| Short term borrowings | | 6.16 | - | - | 6.16 | 6.16 |
| Trade payables | | 6.61 | - | - | 6.61 | 6.61 |
| | | **231.11** | **1,711.40** | **4,466.43** | **6,408.94** | **3,807.50** |

*Includes principal and interest cash flows.

The following table summarises the Company's expected maturity for its non-derivative financial assets. The table has been drawn up based on the undiscounted contractual maturities of the financial assets including interest that will be earned on those assets.

| Particulars | Effective interest rate (% p.a.) | Within 1 year | Between 1 and 5 years | More than 5 years | Total | Carrying amount |
|---|---|---|---|---|---|---|
| **Variable interest rate** | | | | | | |
| Bank deposits** | 3.00% - 5.10% | 87.38 | - | | 87.38 | 87.38 |
| Claim receivable** | 10.41% | 28.49 | 105.59 | 136.38 | 270.46 | 167.27 |
| **Non-Interest bearing** | | | | | | |
| Investments | | 226.67 | - | - | - | 226.67 |
| Trade receivables | | 196.55 | - | - | - | 196.55 |
| Cash and cash equivalents | | 159.25 | - | - | 170.55 | 159.25 |
| Other bank balances | | 38.37 | - | - | | 38.37 |
| Interest accrued on fixed deposits | | 1.20 | - | - | | 1.20 |
| | | **737.91** | **105.59** | **136.38** | **528.39** | **876.69** |

**Includes principal and interest cash flows

## 36. Capital management

The Company manages its capital to ensure that it will be able to continue as going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance. The Capital structure of the Company consist of net debt (non-current borrowings and current maturities of non-current borrowings offset by cash and cash equivalents as detailed in note 8 (c)) and total equity of the company.

In order to achieve this overall objective of capital management, amongst other things, the Company aims to ensure that it meets financial covenants attached to the borrowings facilities defining capital structure requirements, where breach in meeting the financial covenants may permit the lender to call the borrowings.

There have been no breach in the financial covenants of any borrowing facilities during the year. There is no change in the objectives, policies or processes for managing capital over previous year.

| | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|
| Long term borrowings (including current maturity of long term borrowing) | 3,592.90 | 3,794.73 |
| Less: Cash and cash equivalents | (173.13) | (159.25) |
| **Net debt (A)** | **3,419.77** | **3,635.48** |
| **Total equity** | 1,172.31 | 1,188.69 |
| **Capital and net debt (B)** | **4,592.08** | **4,824.17** |
| **Gearing ratio [ (A)/(B) ]** | **74.47%** | **75.36%** |

Deloitte Haskins & Sells
Chartered Accountants

FERMI SOLARFARMS PRIVATE LIMITED

(All amounts in INR Millions unless stated otherwise)

**37. Details of dues to micro and small enterprises as defied under the MSMED Act, 2006**

Based on intimation received by the company from its supplier regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 the relevant information is provided below:

| | Particulars | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|---|
| a) | The principal amount and the interest due thereon (to be shown separately) remaining unpaid to any supplier at the end of each accounting year. | 0.11 | - |
| b) | The amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year; | - | - |
| c) | The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006; | - | - |
| d) | The amount of interest accrued and remaining unpaid at the end of each accounting year; | - | - |
| e) | The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006. | - | - |
| | | 0.11 | - |

Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by the auditors.

**38. Commitments and contingencies**

**a) Commitments**

The Company has entered into power purchase agreements (PPA) with Solar Energy Corporation of India (SECI) for a total term of 25 years with a commitment to supply power having tariff of INR 4.43 /KwH during the term of the agreement.

b) The Company does not have any pending litigations which would impact its financial position.

**39. Events after the reporting period**

There are no significant reportable events occurring after the reporting period.

**40. Approval of financial statements**

The financial statements were approved for issue by the Board of Directors on May 30, 2022.

**41.**

There has been no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

**42.** The Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.

**43.** The Company's business is generation and sale of solar energy. The Company believes that so far, there is no significant impact of COVID-19 pandemic on the financial position and performance of the Company. Further, the Company is not expecting any significant change in estimates as of now as the Company is running its business and operations as usual without any major disruptions.

**For and on behalf of board of directors**

**Shweta Manik Mankar**
Company Secretary

Place: Noida
Date: May 30, 2022

**Prashant Choubey**
Director
DIN: 08072225
Place: Noida
Date: May 30, 2022

**Ravi Kant Verma**
Director
DIN: 07299159
Place: Noida
Date: May 30, 2022

Deloitte Haskins & Sells
Chartered Accountants

FERMI SOLARFARMS PRIVATE LIMITED