

**INDIAN RENEWABLE ENERGY DEVELOPMENT AGENCY LIMITED**  
**Standalone Balance Sheet as at March 31, 2021**

(Rs. in Lakhs)

S.No	Particulars	As at March 31, 2021	As at March 31, 2020
<b>I</b>	<b>ASSETS</b>		
<b>A</b>	<b>Financial Assets</b>		
	(a) Cash and cash equivalents	22,101.83	98,836.04
	(b) Bank Balance other than (a) above	38,229.29	58,735.71
	(c) Derivative financial instruments	40,309.01	71,255.99
	(d) Receivables		
	(I) Trade Receivables	297.66	312.98
	(II) Other Receivables	-	-
	(e) Loans	2,690,564.31	2,297,768.68
	(f) Investments	12.00	12.00
	(g) Other financial assets	2,278.75	2,486.44
	<b>Total (A)</b>	<b>2,793,792.85</b>	<b>2,529,407.84</b>
<b>B</b>	<b>Non-financial Assets</b>		
	(a) Current Tax Assets (Net)	10,846.02	16,506.40
	(b) Deferred Tax Assets (Net)	21,099.21	14,264.10
	(c) Investment Property	4.25	5.09
	(d) Property, Plant and Equipment	24,637.63	26,468.39
	(e) Capital Work-in-progress	0.86	0.86
	(f) Right of use asset	1,961.84	1,714.60
	(g) Intangible assets under development	-	-
	(h) Intangible assets	10.61	16.39
	(i) Other non-financial assets	176,944.37	176,808.49
	<b>Total (B)</b>	<b>235,504.80</b>	<b>235,784.33</b>
	<b>Total Assets (A+B)</b>	<b>3,029,297.65</b>	<b>2,765,192.17</b>
<b>II.</b>	<b>LIABILITIES AND EQUITY</b>		
	<b>LIABILITIES</b>		
<b>A</b>	<b>Financial Liabilities</b>		
	(a) Derivative financial instruments	9,183.16	6,788.00
	(b) Payables		
	(I) Trade Payables		
	(i) total outstanding dues of micro enterprises and small enterprises	43.12	45.09
	(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	7,972.49	6,535.05
	(c) Debt Securities	912,026.16	926,758.64
	(d) Borrowings (Other than Debt Securities)	1,423,055.09	1,243,625.87
	(e) Subordinated Liabilities	64,919.20	14,970.00
	(f) Other financial liabilities	80,496.43	94,064.47
	<b>Total(A)</b>	<b>2,497,695.66</b>	<b>2,292,787.10</b>
<b>B</b>	<b>Non-Financial Liabilities</b>		
	(a) Provisions	60,245.87	45,581.35
	(b) Deferred Tax Liability(Net)	-	-
	(c) Other non-financial liabilities	171,837.62	174,691.86
	<b>Total(B)</b>	<b>232,083.49</b>	<b>220,273.21</b>
<b>C</b>	<b>EQUITY</b>		
	(a) Equity Share Capital	78,460.00	78,460.00
	(b) Other Equity	221,058.50	173,671.85
	<b>Total(C)</b>	<b>299,518.50</b>	<b>252,131.85</b>
	<b>Total Liabilities and Equity(A+B+C)</b>	<b>3,029,297.65</b>	<b>2,765,192.17</b>





**INDIAN RENEWABLE ENERGY DEVELOPMENT AGENCY LIMITED**  
**Standalone Statement of Profit and Loss**

(Rs. in Lakhs)

Particulars		Current 6 months ending 31.03.2021	6 months ending 31.03.2020	Current year ended 31.03.2021	Previous year ended 31.03.2020
		Unaudited	Unaudited	Audited	Audited
<b>I</b>	<b>Revenue from Operations</b>				
i)	Interest Income	130,409.66	114,529.56	256,522.88	224,658.02
ii)	Fees and Commission Income	2,139.63	822.49	3,377.26	2,162.65
iii)	Net gain on fair value changes on derivatives	-1,164.93	4,483.05	-,247.32	7,165.33
iv)	Revenue from Solar Plant Operations	1,532.19	1,449.51	2,741.73	2,745.99
	<b>Total Revenue from operations (I)</b>	<b>132,916.56</b>	<b>121,284.61</b>	<b>261,394.55</b>	<b>236,731.98</b>
<b>II</b>	<b>Other Income</b>	<b>4,452.48</b>	<b>428.83</b>	<b>4,468.85</b>	<b>506.18</b>
<b>III</b>	<b>Total Income (I+II)</b>	<b>137,369.04</b>	<b>121,713.43</b>	<b>265,863.40</b>	<b>237,238.17</b>
<b>IV</b>	<b>Expenses</b>				
i)	Finance Cost	78,243.34	74,641.35	157,026.19	145,920.61
ii)	Net translation/ transaction exchange loss / (gain)	1,918.14	2,929.86	6,984.66	4,064.67
iii)	Impairment on financial instruments	28,140.17	41,550.40	34,164.50	51,809.07
iv)	Employee Benefits Expenses	2,472.26	2,426.87	4,735.95	4,697.50
v)	Depreciation, amortization and impairment	1,139.40	1,177.90	2,267.40	2,281.20
vi)	Others expenses	1,051.72	1,458.19	2,091.38	2,434.80
vii)	Corporate Social Responsibility Expense	583.65	1,249.04	1,641.60	1,919.04
	<b>Total Expenses (IV)</b>	<b>113,548.68</b>	<b>125,433.60</b>	<b>208,911.68</b>	<b>213,126.89</b>
<b>V</b>	<b>Profit/(loss) before exceptional items and tax (III-IV)</b>	<b>23,820.35</b>	<b>-3,720.17</b>	<b>56,951.72</b>	<b>24,111.28</b>
<b>VI</b>	<b>Exceptional Items</b>				
<b>VII</b>	<b>Profit/(loss) before tax (V-VI)</b>	<b>23,820.35</b>	<b>-3,720.17</b>	<b>56,951.72</b>	<b>24,111.28</b>
<b>VIII</b>	<b>Tax expense</b>				
	(i) Current tax	24,896.70	1,644.33	29,162.31	10,013.33
	(ii) Deferred tax	-8,059.46	-10,492.10	-6,851.31	-7,357.10
<b>IX</b>	<b>Profit/(loss) for the period from continuing operations (VII-VIII)</b>	<b>6,983.11</b>	<b>5,127.60</b>	<b>34,640.72</b>	<b>21,455.04</b>
<b>X</b>	<b>Profit/(loss) for the period</b>	<b>6,983.11</b>	<b>5,127.60</b>	<b>34,640.72</b>	<b>21,455.04</b>
<b>XI</b>	<b>Other Comprehensive Income</b>				
<b>(A)</b>	<b>(i) Items that will not be reclassified to profit or loss</b>				
	- Remeasurements of the defined benefit plans:-				
	Gratuity	181.49	5.37	0.01	-53.90
	Post retirement medical benefit	-61.60	-108.64	-141.37	-150.47
	Baggage allowance	0.63	-0.22	0.33	-1.05
	(ii) Income tax relating to items that will not be reclassified to profit or loss	-30.33	30.25	-16.21	50.62
	<b>Subtotal (A)</b>	<b>90.19</b>	<b>-73.23</b>	<b>-157.23</b>	<b>-154.80</b>
<b>(B)</b>	<b>(i) Items that will be classified to profit or loss :-</b>				
	Effective portion of gain /(loss) on hedging instrument in cash flow hedge reserve	-19,097.28	28,839.85	-32,828.63	39,479.61
	(ii) Income tax relating to items that will be reclassified to profit or loss	4,927.92	-4,386.67	8,262.31	-4,386.67
	<b>Subtotal (B)</b>	<b>-14,169.36</b>	<b>24,453.18</b>	<b>-24,566.32</b>	<b>35,092.94</b>
	<b>Other Comprehensive Income (A+B)</b>	<b>-14,079.17</b>	<b>24,379.96</b>	<b>-24,723.55</b>	<b>34,938.14</b>
<b>XII</b>	<b>Total Comprehensive Income for the period (X+XI) (Comprising Profit (Loss) and other Comprehensive Income for the period)</b>	<b>-7,096.06</b>	<b>29,507.56</b>	<b>9,917.17</b>	<b>56,393.18</b>
<b>XIII</b>	<b>Earning per equity share (for continuing operations)(Annualised )</b>				
	Basic (Rs.)	0.89	0.65	4.42	2.73
	Diluted (Rs.)	0.89	0.65	4.42	2.73

  



**Notes to the audited financial statements :**

- a) The financial statements have been prepared in accordance with the recognition and measurement principles of Ind AS prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder.
- b) As required under SEBI (LODR) regulations, the results have been prepared on the basis of format contained in Division III of Schedule III to Companies Act, 2013 notified by MCA on 11.10.2018 and corresponding comparative figures presented in these results have been regrouped/ reclassified in order to confirm to current period presentation.
- c) The above results have been viewed and recommended by the Audit Committee of Directors and approved by the Board of Directors in their respective meetings held on 30.05.2021.
- d) Impairment allowance on loan assets is provided as per the board approved ECL methodology and calculations done by an independent agency alongwith management outlays wherever necessary.
- e) Company has created impairment allowance on its loan assets as per the ECL assessment. Cumulative impairment allowance (including Standard Loan) stands at Rs. 151,461.68 Lakhs as at 31.03.2021 .

Particulars	As at 31.03.2021 - (Rs. in Lakhs)
Credit impaired loan assets	244,155.27
Impairment allowance maintained	93,132.88
Impairment allowance coverage (%)	38.14%

- f) The company's primary business is to provide finance for Renewable Energy & Energy Efficiency projects and accordingly, there are no reportable segments as per Ind AS 108 Operating Segments
- g) COVID 19, the global pandemic has triggered significant decline and volatility in global and Indian financial markets , and disrupted economic activities . The situation has been kept under close watch by the company to take prompt actions for continuity of business operations . During the Lockdowns , the employees of the company were encouraged to Work from Home. This was made possible only with the robust IT infrastructure viz. ,E-Office & Cloud enabled ERP system connected through secured VPN network.
- h) The COVID-19 global pandemic continues to spread across the globe and in India. The extent to which COVID-19 pandemic will impact the Company's provision on assets, liquidity, Borrowing position and financial health is dependent on the future developments/ events which are highly uncertain. The Company has been duly servicing its debt obligations, maintains a healthy capital adequacy ratio and has adequate capital and financial resources to run its business. However the Company will continue to use the digital technology to closely monitor any material changes to future economic conditions. The COVID -19 impact has been considered in the ECL calculation during the year.
- i) In accordance with the RBI guidelines relating to COVID-19 Regulatory Package dated March 27, 2020, April 17, 2020 and May 23, 2020, the Company had offered moratorium on the payment of installments falling due between March 1, 2020 and August 31, 2020 ('moratorium period') to eligible borrowers. In respect of accounts where moratorium benefit was granted, the staging of those accounts as at March 31, 2021 is based on the days past due status.
- j) In accordance with the instructions in paragraph 5 of the RBI circular no. RBI/2021-22/17DOR. STR.REC.4/21.04.048/2021-22 dated April 7, 2021, the Company has carried out asset classification of the borrower accounts as per the extant RBI instructions / IRAC norms, without considering any standstill in asset classification and also done staging of the borrower accounts in accordance with ECL model / framework under Ind AS in the financial statements for the year ended March 31, 2021 .
- k) In accordance with the RBI Circular No. RBI/2021-22/17 DOR.STR.REC.4/21.04.048/2021-22 dated April 7, 2021 and the methodology for calculation of interest on interest based on guidance issued by Indian Banks' Association, the Company has put in place a Board approved policy to refund / adjust interest on interest charged to borrowers during the moratorium period, i.e. March 1, 2020 to August 31, 2020. The Company has estimated the said amount and made a provision in the financial statements for the year ended March 31, 2021. As on March 31, 2021, the Company holds a specific liability of Rs. 250.00 Lakhs which is debited to interest income to meet its obligation towards refund of interest on interest to eligible

borrowers as prescribed by the RBI. Accordingly, interest income for the year ended March 31, 2021 is lower by Rs. 250.00 Lakhs.

- l) In the budget announcement of February 2021, Hon'ble Finance Minister had announced infusion of Rs. 150,000.00 Lakhs as equity in the company. Said infusion of equity will enhance the capital base, and enable the company to leverage it and do higher on lending for Renewable Energy(RE) projects thus contributing in the Government of India target of RE capacity installation.
- m) The additional information as required under Regulation 52(4) of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 is as under :

Sl.	Particulars	Unit	As at 31.03.2021	As at 31.03.2020
1	Net Worth	Rs. in Lakhs	299,518.50	252,131.85
2	Debenture Redemption Reserve	Rs. in Lakhs	30,539.26	25,910.15
3	Debt-Equity Ratio	Times	8.01	8.67

- n) The Company has not issued any Redeemable Preference Shares till date.
- o) Disclosure under RBI circular No. RBI/2019-20/88 DOR.NBFC (PD) CC. No.102/03.10.001/2019-20 dated November 04 , 2019 on Liquidity Risk Management Framework for Non-Banking Financial Companies and Core Investment Companies is contained in Annexure-I.

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



Pradip Kumar Das  
Chairman & Managing Director  
DIN No. 07448576

Place : New Delhi  
Date : 30.05.2021





**Annexure-I.**

Disclosure under RBI circular No. RBI/2020-21/88 DOR.NBFC (PD) CC. No.102/03.10.001/2020-21 dated November 04, 2020 on Liquidity Risk Management Framework for Non-Banking Financial Companies and Core Investment Companies

**i) Funding Concentration based on significant counterparty (both deposits and borrowings)**

(Rs. In Lakhs)					
Sl.	Period	Number of Significant Counterparties *	Amount	% of Total deposits	% of Total Liabilities
1	As at 31.03.2021	13	1,594,560.49	N.A.	58.41%
2.	As at 31.03.2020	14	1,494,260.88	N.A.	59.46%

Note :

- A "Significant counterparty" is defined as a single counterparty or group of connected or affiliated counterparties accounting in aggregate for more than 1% of the NBFC-NDSI's, NBFC-Ds total liabilities and 10% for other non-deposit taking NBFCs .
- Total Liabilities has been computed as Total Assets less Equity Share Capital and Reserve & Surplus.

**ii) Top 20 large deposits**

(Rs. In Lakhs)			
Period	Large deposits	Amount	% of Total Deposits
As at 31.03.2021	Not Applicable.		
As at 31.03.2020			

**iii) Top 10 borrowings :**

**As at 31.03.2021**

(Rs. In Lakhs)			
Sl.	Borrowings	Amount	% of Total Borrowings
1	Loan from IIFCL (2020-21)	200,000.00	8.33%
2	Loan I from Japan International Cooperation Agency (JICA)	99,080.00	8.29%
3	Loan II from Japan International Cooperation Agency (JICA)	198,880.92	8.29%
4	7.125% Green Masala Bond	194,567.94	8.11%
5	Loan from European Investment Bank (EIB)	150,457.76	6.27%
6	Loan II from Asian Development Bank (ADB -II)	137,208.77	5.72%
7	8% Taxable Bonds (Series IX A- 2019-20)	99,977.70	4.17%
8	7.49% Taxfree Bonds(Series XIV Tranche-I-IIA- 2015-16)	88,426.52	3.68%
9	7.40% IREDA Taxable Bonds-Sr-IX-B -2030 (19-20)	80,257.16	3.34%
10	Loan II from Agence Francaise De Developpement (AFD-II)	73,184.15	3.05%

**As at 31.03.2020**

(Rs. In Lakhs)			
Sl.	Borrowings	Amount	% of Total Borrowings
1	Loan I from Japan International Cooperation Agency (JICA)	208,950.00	9.56%
2	Loan II from Japan International Cooperation Agency (JICA)	208,741.05	9.55%
3	7.125% Green Masala Bond	194,309.26	8.89%
4	Loan from European Investment Bank (EIB)	161,340.90	7.38%
5	Loan II from Asian Development Bank (ADB -II)	150,771.80	6.90%
6	8% Taxable Bonds (Series IX A- 2019-20)	99,975.90	4.57%
7	7.49% Taxfree Bonds(Series XIV Tranche-I-IIA- 2015-16)	88,426.52	4.05%
8	Loan I from State Bank of India (SBI-I)	84,993.17	3.89%
9	7.40% IREDA Taxable Bonds-Sr-IX-B -2030 (19-20)	80,253.84	3.67%
10	Loan II from Agence Francaise De Developpement (AFD-II)	78,897.12	3.61%

iv) **Funding Concentration based on significant instrument/product**

**As at 31.03.2021**

(Rs. In Lakhs )			
Sl.	Name of the instrument / product	Amount	% of Total Liabilities
1.	Taxfree Bonds - Non Convertible Redeemable Debentures (Secured)	275,765.46	10.10%
2.	Taxable Bonds - Non Convertible Redeemable Debentures(Secured)	441,692.76	16.18%
3.	Masala Bonds (Unsecured )	194,567.94	7.13%
4.	Subordinated Liabilities	64,919.20	2.38%
5.	Term Loans from Banks (Secured )	254,735.26	9.33%
6.	Term Loans from Banks (Unsecured )	97,676.36	3.58%
7.	Term Loans from Others (Unsecured )	953,431.94	34.93%
8.	Loans repayable on demand	46,015.70	1.69%
9.	FCNR(B) Demand Loans	71,195.83	2.61%

**As at 31.03.2020**

(Rs. In Lakhs )			
Sl.	Name of the instrument / product	Amount	% of Total Liabilities
1	Taxfree Bonds - Non Convertible Redeemable Debentures (Secured)	275,765.46	10.97%
2	Taxable Bonds - Non Convertible Redeemable Debentures(Secured)	456,683.92	18.17%
3	Masala Bonds (Unsecured )	194,309.26	7.73%
4	Term Loans from Banks (Secured)	398,570.53	15.86%
5	Term Loans from Banks (Unsecured)	108,043.08	4.30%
6	Term Loans from Others (Unsecured)	737,012.26	29.33%

Note :

- A "Significant counterparty" is defined as a single counterparty or group of connected or affiliated counterparties accounting in aggregate for more than 1% of the NBFC-NDSI's, NBFC-Ds total liabilities and 10% for other non-deposit taking NBFCs .
- Total Liabilities has been computed as Total Assets less Equity share capital less Reserve & Surplus.
- A "significant instrument/product" is defined as a single instrument/product of group of similar instruments/products which in aggregate amount to more than 1% of the NBFC-NDSI's, NBFC-Ds total liabilities and 10% for other non-deposit taking NBFCs.

v) **Stock Ratios:**

Sl	Number of the instrument / product	As at 31.03.2021	As at 31.03.2020
1	Commercial papers as a % of total public funds	N/A	N/A
2	Commercial papers as a % of total liabilities	N/A	N/A
3	Commercial papers as a % of total assets	N/A	N/A
4	Non-convertible debentures (original maturity of less than one year) as a % of total public funds	N/A	N/A
5	Non-convertible debentures (original maturity of less than one year) as a % of total liabilities	N/A	N/A
6	Non-convertible debentures (original maturity of less than one year) as a % of total assets	N/A	N/A
7	Other short-term liabilities, if any as a % of total public funds	4.01%	5.09%
8	Other short-term liabilities, if any as a % of total liabilities	3.53%	4.43%
9	Other short-term liabilities, if any as a % of total assets	3.18%	4.03%

Note : Other short-term liabilities have been computed as sum total of Trade Payables, Other financial & Non-financial liabilities excluding GOI Fully Service Bonds .

## Independent Auditor's Report

To the Members of  
Indian Renewable Energy Development Agency Limited

### Report on the Audit of the Standalone Financial Statements

#### Opinion

We have audited the accompanying Standalone Financial Statements of Indian Renewable Energy Development Agency Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2021, and the Statement of Profit and Loss (including Other Comprehensive income), Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and Notes to the Standalone Financial Statements, including a summary of significant accounting policies and Other Explanatory Notes for the year ended on that date (hereinafter referred to as "Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone 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 accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, and profit, changes in equity and its cash flows for the year ended on that date.

#### Basis for opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the standalone 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 standalone Financial Statements under the provisions of the Companies Act, 2013 (the Act) and the Rules 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 standalone Financial Statements.

#### Emphasis of Matter

1. As described in Note 38 (43) (b) to the Standalone Financial Statements, the extent to which the COVID-19 pandemic including the current "second wave" will have impact on the Company's financial performance is dependent on ongoing as well as future developments, which are highly uncertain and potential impact thereof is not ascertainable at this point in time.

Our opinion is not modified in respect of the above matter.





## Key audit matters

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

Sr. Key Audit Matters No.	Auditor's Response
<p data-bbox="252 539 826 600">1. Impairment of Loan Assets – Expected Credit loss</p> <p data-bbox="252 734 826 864">(Refer Note no 38 (38 (A ii)) to the Standalone Financial Statements read with accounting policy No 3(xx)- Financial Instruments')</p> <p data-bbox="252 875 826 1032">Financing is principal business of the Company and disclosure of Loan assets at fair value considering the provision for loss due to impairment is most significant.</p> <p data-bbox="252 1070 826 1545">The Company follows a Board approved methodology wherein assessment for allowance is carried out by an external agency for impairment based on certain criterion / framework classifying the assets into various stages depending upon credit risk and level of evidence of impairment. The measurement of an expected credit loss allowance (ECL) for financial assets measured at amortized cost requires the use of complex models and significant assumptions about future economic conditions and credit behaviour (e.g., likelihood of customers defaulting and</p>	<p data-bbox="831 539 1394 730"><b>Our Audit procedures based on which we arrived at conclusion regarding reasonableness of the disclosures and accounting for Impairment of Loan Assets – Expected Credit loss include the following:</b></p> <p data-bbox="831 741 1394 965">We have obtained an understanding of the guidelines as specified in Ind AS 109 "Financial Instruments", various regulatory updates, guidance of ICAI and internal instructions and procedures of the Company in respect of the ECL and adopted the following audit procedures:</p> <p data-bbox="831 999 1394 1189">Evaluation and testing of the key internal control mechanisms with respect to the loan assets monitoring, assessment of the loan impairment including testing of relevant data quality, and review of the real data entered.</p> <p data-bbox="831 1223 1394 1346">Recoveries in the loan assets are verified to ascertain level of stress thereon and impact on impairment allowance in financial statements.</p> <p data-bbox="831 1368 1394 1545">Verification / review of the documentation, operations / performance and monitoring of the loan assets, especially large and stressed loan assets, to ascertain any overdue, unsatisfactory conduct or weakness in any loan asset account.</p>





	<p>resulting losses). The Company makes significant judgments while assessing ECL and the assumptions underlying the ECL are monitored and reviewed on an on-going basis.</p> <p>The proper application of such assumptions is material for statement of the Loan Assets. In view of the significance of the amount of loan assets in the Standalone Financial Statements, the loss due to impairment of loan assets has been considered as Key Audit Matter in our audit.</p>	<p>The company avails services of third party for evaluation of ECL. Components and calculations in the study for impairment allowance carried out by third party are relied upon by us and test checks are carried out for the same. The data shared with the third party is verified by us for correctness of material components being submitted. Our audit procedure in the same are limited in view of not sharing certain parameters and software used for study of such data being considered confidential by such third party.</p>
2.	<p><b>Fair valuation of Derivative Financial Instruments</b></p> <p>(Refer Note No. 38 (37) to the standalone Financial Statements read with accounting policy No. 3 (xx))</p> <p>To mitigate the Company's exposure to foreign currency risk and interest rate, non- Rupee cash flows are monitored and derivative contracts are entered for hedging purpose. The derivatives are measured at fair value as per Ind AS 109.</p> <p>To qualify for hedge accounting, the hedging relationship must meet certain specified requirements as per Ind As. Hedge accounting results in significant impact on financial statements together with complexity of its accounting/ assumptions and numerous parameters therein for establishing hedge relationship. Gain/ loss on these derivatives is recognised in other comprehensive income or Profit and Loss as provided by Ind AS. The magnitude of such transactions is significant as per the operations of the company.</p>	<p><b>Our Audit procedures based on which we arrived at conclusion regarding reasonableness of the disclosures and accounting for derivatives include the following:</b></p> <p>Discussing and understanding management's perception and studying policy of the company for risk management.</p> <p>Verification of fair value of derivative in terms of Ind AS 109, testing the accuracy and completeness of derivative transactions.</p> <p>Evaluation of management's key internal controls over classification, valuation, and valuation models of derivative instruments.</p> <p>Obtained details of various financial derivative contracts as outstanding/ pending for settlement as on 31<sup>st</sup> March, 2021.</p> <p>Verification of underlying assumptions in estimating the fair valuation arrived at for those financial derivative contracts.</p> <p>Appropriateness of the valuation methodologies applied and testing the same on sample basis for the derivative instruments.</p>





	<p>In view of facts of the matter we have identified it as a key audit matter.</p>	<p>Additionally, we verified the accounting of gain/loss on derivatives in the other comprehensive income or Profit &amp; Loss Account.</p> <p>Reviewed the appropriateness and adequacy of disclosures by the management as required in terms of Ind AS 109.</p>
3.	<p><b>Liability for Income Tax</b></p> <p>Refer note 38 (3 a)</p> <p>The company has material uncertain tax demands in respect of matters under dispute which involves significant judgement to determine the possible outcome of these disputes.</p> <p>The income tax cases for Assessment Year 1998-1999 to Assessment Year 2009-2010 were referred back on direction of Hon'ble High Court / ITAT and for Financial Year (FY) 2009-10 to 2017-18 are pending with Appellate authorities. Appropriate provision and disclosure of such liabilities is material to the presentation of financial statements.</p> <p>In view of this we have identified it as a key audit matter.</p>	<p><b>Our Audit procedures based on which we arrived at conclusion regarding reasonableness of the disclosures and accounting for Liability for Income Tax include the following:</b></p> <p>Our audit procedure includes review of various orders passed by Hon'ble High Court and Hon'ble ITAT on the subject matter in dispute with Department of Income Tax. We undertook procedure to evaluate management position on these uncertain tax positions.</p> <p>Reviewed the appropriateness and adequacy of disclosures by the management as required in terms of Ind AS 37 "Provisions, Contingent Liabilities and Contingent Assets "</p>

#### **Information Other than the Standalone Ind AS 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 including Annexures to Directors' Report, Management Discussion and Analysis Report, but does not include the standalone financial statements and our auditors' report thereon. The other information as stated above is expected to be made available to us after the date of this auditors' report.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information identified above when it becomes available, and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. When we read the other information as stated above and if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and describe necessary actions required as per applicable laws and regulations.

#### **Responsibilities of Management and Those Charged with Governance for the Standalone 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 Standalone Financial Statements that give a true and fair view of the state of affairs (financial position), Profit or Loss (financial performance including other comprehensive income), changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian accounting Standards specified under section 133 of the Act.





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

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

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

Our objectives are to obtain reasonable assurance about whether the Standalone 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 Standard on Auditing (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 standalone financial statements.

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system with reference to financial statements in place and the operating effectiveness of such controls;
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the company to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.





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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### **Other Matter**

The standalone financial statements of the Company for the year ended March 31, 2020 were audited by the then statutory auditors of the Company and they had expressed an unmodified audit Report vide their report dated July 30 2020 on such standalone financial Statements.

Our opinion is not modified in respect of these matters.

#### **Reports on other legal and regulatory requirements**

1. As required by the Companies (Auditor's Report) Order, 2016 ('the Order'), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the "**Annexure-A**", a statement on the matters specified in paragraphs 3 and 4 of the Order, to extent applicable and in terms of sub-section (5) of section 143 of the Act we give in the "**Annexure-B**" information in respect of the directions issued by Comptroller and Auditor-General of India in respect of the company.
2. As required by section 143(3) of the act, we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books and proper returns adequate for the purposes of our audit have been received from branches not visited by us;
  - c) The balance sheet, the Statement of Profit & Loss including Other Comprehensive Income, Statement of Change in Equity and the Cash Flow Statement dealt with by this report are in agreement with the books of account;
  - d) In our opinion, the aforesaid standalone financial statements comply with the accounting standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
  - e) In terms of Notification no. G.S.R. 463 (E) dated 05th June 2015 issued by the Ministry of Corporate Affairs, provisions of Section 164(2) of the Act regarding disqualifications of the Directors, are not applicable as it is a government Company;
  - 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-C**".



- g) With respect to the other matters to be included in the Auditor's report in accordance with rule 11 of the Companies (Audit and Auditors) rule, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements - Refer Note 38 (3) to standalone Financial Statements;
  - ii. The Company has made due provision as required under the applicable law or Indian Accounting Standards, for material foreseeable losses, if any, on long term contracts including derivatives contracts: - Refer note 38(38)(C) (II) (c) to the standalone financial statement.
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company
  - iv. As per notification number G S R 463 (E) dated 5th June, 2015 issued by Ministry of Corporate Affairs, section 197 of the Act as regards the managerial remuneration is not applicable to the Company, since it is a Government Company.

For DSP & ASSOCIATES  
Chartered Accountants  
Firm's Registration Number: 006791N



CA SANJAY JAIN  
(Partner)  
Membership No 084906  
Place: New Delhi  
Date: 30<sup>th</sup> May 2021  
UDIN:21084906AAASK5641



## Annexure-A to the Independent Auditor's Report of Even Date

Annexure "A" referred to in paragraph 1 of "Report on Other Legal and Regulatory Requirements" of Independent Auditor's Report to the members of the Company on the standalone Financial Statements for the year ended March 31, 2021.

i) a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets;

b) As per the information and explanations given to us and on the basis of our examination of the records of the Company, the Tangible Fixed Assets, have been physically verified by the management annually, which in our opinion is reasonable. Having regard to the size of Company and nature of its business the discrepancies noticed on physical verification and consequential adjustments are carried out in books of accounts. According to information and explanations given by the management and in our opinion, the same is not material and properly dealt with in books of accounts.

c) According to the information and explanations given to us, the records examined by us and based on the Title/ Lease deeds provided to us, we report that, the title/ Lease deeds, comprising all the freehold/ leasehold immovable properties of land and building, are held in the name of the Company as on the balance sheet date except for the following where properties have been allotted to the company by the authorities, but the title/lease deeds are yet to be executed in favour of the Company :

Nature of Asset	Area (Sq Meters)	No of Properties	Gross Block 31.3.21 (Rs in Lacs)	Net Block 31.3.21 (Rs in Lacs)
Leasehold Building (under Right to Use)	2546.17	2	2282.44	1440.15
Building Residential – (Investment Property)	170.4	1	8.75	4.25

ii) The Company does not hold any inventories as such this clause is not applicable to the Company

iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to any companies, firms or other parties covered in the register maintained under section 189 of the Companies Act.

Accordingly, clause 3(iii)(a), (b) and (c) of the Order are not applicable

iv) In our opinion and according to information & explanations given to us the Company has not granted any loan or guarantee in accordance with Section 185 of the Companies Act 2013 (the Act). Further, in our opinion and according to information & explanations given to us, the Company, being a Non-Banking Financial Company (NBFC), is exempt from the provisions of Section 186 of the Act and the relevant rules in respect of loans and guarantees given by the company. In respect of the investments, the Company has complied with the provisions of section 186 (1) of the Act.

v) According to the information and explanations given to us, the Company has not accepted any deposits from public to which the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the Rules framed thereunder are applicable.

vi) We have broadly reviewed the books of account maintained by the Company pursuant to the Rules made by the Central Government for the maintenance of cost records under Section 148 (1) of the Act in respect of business of the company to which the said rules are made applicable and are of the opinion that prima facie, the prescribed records have been maintained. We have however not made a detailed examination of the said records with a view to determine whether they are accurate or complete.



vii) a. According to the information and explanations given to us, during the year, the Company has generally been regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Investor Education Protection fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Goods and Service Tax, Service tax, Custom Duty, Excise Duty, Value Added Tax, Cess and other material statutory dues as applicable to it

There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service tax, Custom Duty, Excise Duty, Value Added Tax, Cess and other material statutory dues in arrear as at March 31, 2021 for a period of more than six months from the date they become payable.

b. According to the information and explanations given to us, the details of disputed dues of income tax, sales tax, service tax, customs duty, excise duty and Value added Tax, if any, as at March 31, 2021 are as follows:

Name of statute	Nature of taxes	Amount in dispute (Rs in Lacs)	Financial Year concerned	Amount Deposited+	Forum at which matter is pending
Income Tax Act 1961	Income Tax	1344.16	2009-10	1344.16	CIT (Appeals)
Income Tax Act 1961	Income Tax	1496.52	2010-11	1496.52	CIT (Appeals)
Income Tax Act 1961	Income Tax	1519.54	2011-12	1519.54	CIT (Appeals)
Income Tax Act 1961	Income Tax	2216.55	2012-13	2216.55	CIT (Appeals)
Income Tax Act 1961	Income Tax	1547.05	2013-14	1547.05	CIT (Appeals)
Income Tax Act 1961	Income Tax	2310.96	2014-15	2310.96	CIT (Appeals)
Income Tax Act 1961	Income Tax	2761.20	2015-16	214.17	CIT (Appeals)
Income Tax Act 1961	Income Tax	5337.19	2016-17	1051.94	CIT (Appeals)
Income Tax Act 1961	Income Tax	2678.78	2017-18	239.00++	CIT (Appeals)

+ Deposited under protest / prepaid taxes

++ Deposited after 31<sup>st</sup> March 2021

viii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not defaulted in repayment of loans or borrowing to a financial institution, bank, government or dues to debenture holders as at end of the year.

ix) The Company has not raised any money by way of initial public offer or further public offer. Money raised by the Company by way of debt instruments (public offer or otherwise) and term loans were applied during the year for the purposes for which they were raised.

x) Based on our audit procedures and as per the information and explanations given to us by the management, no fraud by the Company or any fraud on the Company, by any person including its officers/ employees, has been noticed or reported during the year.

xi) As per notification number G.S.R. 463 (E) dated 5th June 2015 issued by Ministry of Corporate Affairs, section 197 of the Act as regards the managerial remuneration is not applicable to the Company, since it is a Government Company.

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

xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with Section 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the Standalone Financial Statements as required by the applicable accounting standards.

xiv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, clause 3 (xiv) of the Order is not applicable to the Company.





xv) According to the information and explanations given to us and as represented to us by the management and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable to the company.

xvi) The company is required and is registered with Reserve Bank of India under section 45-IA of the Reserve Bank of India Act, 1934

For DSP & ASSOCIATES

Chartered Accountants

Firm's Registration Number: 006791N

SANJAY JAIN

(Partner)

Membership No 084906

Place: New Delhi

Date: 30<sup>th</sup> May 2021



**Annexure-B to the Independent Auditor's Report**

Directions under section 143(5) of the Companies Act, 2013 issued by the Comptroller & Auditor General of India.

1. Whether the Company has system in place to process all the accounting transactions through IT System?

If yes, the implications of processing of accounting transactions outside IT System on the integrity of accounts along with the financial implications, if any, may be stated

**Answer:**

According to the information and explanations given to us and based on our audit, all accounting transactions are routed through IT system implemented by the Company except accounting of certain specified category of borrower Accounts (less than 10% of total advances). Period end Financial Statements are compiled offline based on balances and transactions generated from the IT system. We have neither been informed nor we have come across during the course of our audit any accounting transactions having impact on the integrity of the accounts along with the financial implications which have been processed outside the IT system. However, it is preferable to modify the system so that such transactions are also processed through the IT system based on standard instructions so that chances of misreporting are mitigated.

2. Whether there is any restructuring of an existing loan or cases of waiver/write off of debts/loans/interest etc., made by a lender to the Company due to the Company's inability to repay the loan?

If yes, the financial impact may be stated.

**Answer:**

According to information and explanations given to us and based on our audit, there is no case of restructuring of an existing loan or cases of waiver/ write off of debts/ loans/ interest etc. made by any lender to the Company.

3. Whether the funds received/ receivable for specific schemes from Central/State agencies were properly accounted for/ utilized as per its terms and conditions?

List the cases of deviation.

**Answer:**

According to information and explanations given to us and based on our audit, the Company has accounted for and utilized the funds received for specific schemes from Central/ State agencies as per the terms and conditions of the schemes.

For DSP & ASSOCIATES

Chartered Accountants

Firm's Registration Number: 006791N

FRN:006791N  
NEW DELHI

CA SANJAY JAIN

(Partner)

Membership No 084906

Place: New Delhi

Date: 30<sup>th</sup> May 2021





## **Annexure-C to the Independent Auditor's Report**

### **Report on the Internal Financial Controls Over Financial Reporting under Clause (1) of Sub-Section 3 of Section 143 of the Companies Act, 2013 (the Act)**

We have audited the internal financial controls over standalone financial reporting of Indian Renewable Energy Development Agency Limited, (the Company) as March 31, 2021 in conjunction with our audit of the standalone 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 record, and 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 based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note required that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial control 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 includes obtaining an understanding of internal financial controls over financial report, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control bases on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risk 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 my/ 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 authorizations of management and directors of the Company; and
3. Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

## Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected, also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to risk that the internal financial controls 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, in addition to the matters stated hereunder, the Company needs to strengthen, in all material respect, its internal financial controls system over financial reporting as at March 31, 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India

- a) Delegation of authority at various levels to be reviewed.
- b) Information technology system for maintenance of Ind AS accounting records to be updated.
- c) Preparation of IT enabled process in respect of income under miscellaneous heads is in progress.

For DSP & ASSOCIATES  
Chartered Accountants

Firm's Registration Number: 006791N



CA SANJAY JAIN

(Partner)

Membership No 084906

Place: New Delhi

Date: 30<sup>th</sup> May 2021