ADITYA BIRLA SOLAR LIMITED

ANNUAL REPORT

2019-20

ADITYA BIRLA SOLAR LIMITED
Registered Office: A-4, Aditya Birla Centre, S. K. Ahire Marg, Worli, Mumbai - 400 030, Maharashtra, India
Corporate Identity Number: U40106MH2016PLC280762
Phone: +91 22 2499 5000, 6652 5000, Fax: +91 22 2499 5821, 6652 5821
Email: absl@adityabirla.com

BOARD OF DIRECTORS' REPORT

To

The Members of the Company
Aditya Birla Solar Limited

Your Directors have pleasure in presenting the 4th (fourth Board of Directors' Report together with Audited Financial Statements of your Company for the year ended March 31, 2020.

1. Financial Summary or highlights

Financial summary or highlights as on March 31, 2020 is as under:

(amount in Rs.)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Total Income	48,53,80,785	48,92,67,337
Total Expenses	(42,95,43,509)	(38,79,23,565)
Profit Before Tax	**5,58,37,276**	**10,13,43,772**
Tax Expenses		
Current tax	-	2,18,38,367
MAT credit entitlement	3,99,20,418	(2,18,38,367)
Deferred Tax	17,81,46,419	2,06,01,772
Profit/(loss) for the year after tax (A)	(16,22,29,561)	8,07,42,000
Other comprehensive income to be reclassified to profit or loss in subsequent periods		
Net movement on cash flow hedge	1,57,35,993	(40,78,713)
Income tax effect	(45,82,321)	13,70,449
Other Comprehensive Income/ (Loss) for the year, net of tax (B)	**1,11,53,672**	**(27,08,264)**
Total Comprehensive Income/(loss) for the Year, net of tax (A+B)	**(15,10,75,889)**	**7,80,33,736**

2. State of the Company's affairs

The Company's 3 (three) Solar Power Projects each of 22.3 MWp DC (totaling to 66.9 MWp DC) at Shirahatti, Ramadurg, and Mulbagal, in the state of Karnataka, India are operating satisfactorily. The Solar PV Power Plant employs Crystalline Silicon technology. The net solar power units sold, after considering auxiliary consumption, were 10,07,13,900 units during the year. The revenue from operations of the Company was Rs. 47,73,09,528 during the financial year 2019-20.

In the short run, the solar power industry will face challenges due to ongoing COVID-19 situation for running the plants at full capacity for initial 2-3 months and achieving the projects commissioning on time due to the supply-chain disruption at the customer end, logistics challenges, availability of labour, restrictions on interstate mobility, etc. Since major supplies (Modules and Inverters) comes from China and gradual factory ramp up coupled with delay in custom clearance at Indian ports are likely to delay the project commissioning dates by at least a quarter. Raising capital and mobilizing manpower to

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manage assets to maintain the generation levels will be other few challenges. At the moment, it is difficult to accurately assess the direct and indirect impact of COVID-19 on the solar power sector.

State DISCOMs are continuing with their normal offtake so far. MoP, MNRE have issued guidelines to maintain Renewable Energy as priority plants and advised to all states to maintain the "Must-Run" status of plants and this will be of big help to Solar Industry. Payment delays are expected and hence the receivables are carefully monitored.

Fortunately, the relief granted by Reserve Bank of India has helped the borrowers by way of moratorium of interest and principal instalments falling due to Banks and financial institutions.

The Company has made initial assessment of likely adverse impact of the pandemic on financial risks for the Company and believes that Company on long-term basis doesn't anticipate any major impact on its financial performance.

3. Amounts, if any, which it proposes to carry to any reserves

The Board of Directors do not propose to carry any amount to any reserves.

4. Amount, if any, which it recommends should be paid by way of dividend

Your Directors do not recommend any dividend for the financial year ended on March 31, 2020.

5. Material changes and commitments after the end of financial year

Between the end of the financial year of the Company as on March 31, 2020 and the date of the Board of Directors report, there are no other material changes and commitments, which have any impact on the financial position of the Company.

6. The names of companies which have become or ceased to be its Subsidiaries, Joint Ventures or associate companies during the year

During the financial year 2019-20, none of the companies have become or ceased to be the subsidiaries, joint ventures or associate companies of the Company.

7. Performance and financial position of Subsidiaries, Associates and Joint Venture Companies

As the Company has no subsidiaries, associates and joint ventures as on March 31, 2020, the information related to the performance and financial position of subsidiaries, associates and joint ventures as per rule 8(1) of the Companies (Accounts) Rules, 2014 is not applicable.

8. Change in the nature of business, if any

There is no change in the nature of business of the Company during the financial year ended on March 31, 2020.

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9. Share Capital

As on March 31, 2020, the Authorized Share Capital and the Issued, Paid-up and Subscribed Capital of the Company stood as under:

i. Authorized Share Capital:
Rs. 70,00,00,000 (Rupees Seventy Crore Only) divided into 7,00,00,000 (Seven Crore) Equity shares of Rs. 10 each.

ii. Issued, Paid-up and Subscribed Capital:
Rs. 66,58,53,540 (Rupees Sixty-Six Crore Fifty-Eight Lakh Fifty-Three Thousand Five Hundred Forty Only) divided into 6,65,85,354 (Six Crore Sixty-Five Lakh Eighty-Five Thousand Three Hundred Fifty-Four Only) Equity shares of Rs. 10 each.

10. Board of Directors

Mr. Devajyoti N. Bhattacharya, Mr. Ravinder Khanna and Mrs. Pinky Atul Mehta, are the Directors since the incorporation of the Company. All the Directors of your Company have given requisite declarations pursuant to section 164 of the Companies Act, 2013 that they are not disqualified to be appointed as Directors of your Company.

11. Independent Directors

The Company became a wholly-owned subsidiary of Grasim Industries Limited on March 31, 2019 and is thus exempted from the requirement of appointment of Independent Directors, vide Ministry of Corporate Affairs (MCA) notification dated 5th July, 2017 issued under Companies (Appointment and Qualification of Directors) Amendment Rules, 2017, inter-alia amending Rule 4 of the Companies (Appointment and Qualifications of Directors) Rules, 2014.

12. Number of meetings of the Board

The details of number of meetings of the Board of Directors of the Company held during the financial year ended on March 31, 2020 and attendance of the Directors at such meetings are as under:

Board of Directors Meetings

Name of Director	**Attendance at the Board of Directors Meetings held during the financial year 2019-20 (DD/MM/YY)**				
	21.05.2019	30.07.2019	08.11.2019	26.11.2019	04.02.2019
Mr. Devajyoti N. Bhattacharya	✓	✓	Leave of absence	✓	✓
Mrs. Pinky Atul Mehta	✓	✓	✓	✓	✓
Mr. Ravinder Khanna	✓	✓	✓	✓	✓

The gap between two consecutive Board Meetings did not exceed 120 days.

13. Directors' Responsibility Statement

In accordance with the provisions of section 134(5) of the Companies Act, 2013, the Board of Directors of the Company hereby confirms that –

(a) In the preparation of the annual accounts for the Financial Year ended March 31, 2020, the applicable accounting standards have been followed along-with proper explanation relating to material departures, if any;
(b) The Directors had 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 at the end of the financial year and of the loss of the Company for that period;
(c) The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
(d) The Directors had prepared the annual accounts on a going concern basis;
(e) The Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

14. Constitution of the Committees of the Board of Directors of the Company

The Company became a wholly-owned subsidiary of Grasim Industries Limited on March 31, 2019 and is thus exempted from the requirement of constitution of the Audit and Nomination and Remuneration Committees thereof, vide Ministry of Corporate Affairs (MCA) notification dated 13th July, 2017 amending Rule 6 of the Companies (Meetings of Board and its Powers) Rules, 2014 read with amended Rule 4 of the Companies (Appointment and Qualifications of Directors) Rules, 2014.

15. Corporate Social Responsibility (CSR)

During the financial year 2019-20, the provisions of section 135 of the Companies Act, 2013 read with Companies (Corporate Social Responsibility Policy) Rules, 2014 related to Corporate Social Responsibility (CSR) were applicable to the Company and the Board of Directors at its meeting held on November 6, 2018 constituted a CSR Committee in accordance with the provisions of the Companies Act, 2013 comprising of following members:

i.	Mr. Devajyoti N. Bhattacharya	-	Chairman
ii.	Mrs. Pinky Atul Mehta	-	Member
iii.	Mr. Ravinder Khanna	-	Member

The Company has adopted a Corporate Social Responsibility (CSR) Policy, as formulated and recommended by the Corporate Social Responsibility Committee, in accordance with the provisions of the Companies Act, 2013.

The Annual Report/Disclosure on the Corporate Social Responsibility as per rule 9 of the Companies (Accounts) Rules, 2014 and rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 is attached herewith as **Annexure – A.**

16. Disclosure of issue of equity shares with differential rights

During the financial year 2019-20, the Company has not issued equity shares with differential rights as per rule 4 of the Companies (Share Capital and Debentures) Rules, 2014 and as such, reporting requirements as mentioned in rule 4(4) of the said Rules are not applicable.

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17. Disclosure of issue of sweat equity shares

During the financial year 2019-20, the Company has not issued sweat equity shares as per section 54 of the Companies Act, 2013 read with rule 8 of the Companies (Share Capital and Debentures) Rules, 2014 and as such, reporting requirements as mentioned in rule 8(13) of the said Rules are not applicable.

18. Disclosure of voting rights not exercised by the employees

There is no scheme approved by the Company through special resolution pursuant to section 67(3)(b) of the Companies Act, 2013 for the purchase of, or subscription for, fully paid-up shares in the Company or its holding company and as such, disclosure requirements related to voting rights not exercised by the employees as mentioned in the said section read with rule 16(4) of the Companies (Share Capital and Debentures) Rules are not applicable.

19. Disclosure of Employees Stock Option Scheme

The Company has not offered shares to its employees under a scheme of employees' stock option scheme pursuant to section 62(1)(b) of the Companies Act, 2013 read with rule 12 of the Companies (Share Capital and Debentures) Rules, 2014 and as such, the disclosure requirements under rule 12(9) of the said Rules are not applicable.

20. Key Managerial Personnel

Mr. Devajyoti N. Bhattacharya is the Managing Director and Key Managerial Personnel of the Company and Ms. Femi Jain is the Company Secretary and Key Managerial Personnel of the Company.

During financial year 2019-20, the following changes took place in the Key Managerial Personnel of the Company pursuant to sections 2(51) and 203 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014:

- Mr. Akhil Mundra resigned as Chief Financial Officer and Key Managerial Personnel of the Company w.e.f. October 30, 2019.
- Ms. Ranjita Deo was appointed as Chief Financial Officer and Key Managerial Personnel of the Company w.e.f. November 8, 2019.

21. Establishment of vigil mechanism

Pursuant to section 177(9) of the Companies Act, 2013, the Board of Directors of the Company has established a vigil mechanism in the form of Whistle Blower Policy at its meeting held on February 06, 2017, which was reviewed by the Board at its meeting held on May 16, 2017, which provides for adequate safeguards against victimization of persons who use such mechanism. Further, there is provision to access Chairman of the Audit Committee / Nominated Director of the Company directly in exceptional cases. As the Company does not have any website, the vigil mechanism policy is not placed on the website.

22. Disclosure of receipt of commission by Managing Director or Whole-time Director from holding company or subsidiary company

The Managing Director of the Company has not received any commission from the Company or from the holding company during the financial year 2019-20 and as such, disclosure requirements as per section 197(14) of the Companies Act, 2013 are not applicable.

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23. Statement on Remuneration of Employees as per rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

Being an unlisted Company, the provisions of 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are not applicable to the Company.

24. Performance evaluation of the Board, the Managing Directors and that of its Committees and the Individual Directors of the company

Pursuant to the provisions of the Companies Act, 2013, the Board has carried out an annual evaluation of its own performance, performance of the Individual Directors and Managing Director. Feedback was sought by way of a structured questionnaire covering various aspects of the Board's functioning and the evaluation was carried out based on responses received from the Directors.

25. Company's policy on Director's appointment and remuneration to Key Managerial Personnel and other employees

The Company became a wholly-owned subsidiary of Grasim Industries Limited on March 31, 2019 and thus is exempted from the requirement of constitution of the Nomination and Remuneration Committees thereof, vide Ministry of Corporate Affairs (MCA) notification dated 13th July, 2017 amending Rule 6 of the Companies (Meetings of Board and its Powers) Rules, 2014 read with amended Rule 4 of the Companies (Appointment and Qualifications of Directors) Rules, 2014.

However, the Company has followed due procedure relating to appointment of Directors, payment of Managerial remuneration, Directors qualifications, positive attributes and other related matters as provided under section 178(3) of the Companies Act, 2013.

26. Auditors

Statutory Auditors:

M/s. S R B C & CO LLP, Chartered Accountants, Mumbai, (ICAI Firm Registration No: 324982E/E300003) were appointed as the Statutory Auditors of the Company to hold office from the conclusion of 1st (first) Annual General Meeting till the conclusion of the 6th (sixth) Annual General Meeting.

Secretarial Auditors:

M/s. Dilip Bharadiya & Associates, Practicing Company Secretary, Mumbai (COP No. 6740 and Membership No. FCS 7956), were appointed as Secretarial Auditor on May 21, 2019 in accordance with Section 204 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 to conduct a Secretarial Audit of records and documents of the Company for financial year 2019-20.

27. Auditors' Report

Statutory Audit Report:

The observations made in the Auditors' Report are self-explanatory and therefore, do not call for any further comments. The Notes to Accounts forming part of the financial statements are also self-explanatory and needs no further explanation.

Further, there are no qualification, reservation or adverse remark or disclaimer in the Auditors' Report which requires any explanations or comments by the Board of Directors of the Company.

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Secretarial Audit Report:

M/s. Dilip Bharadiya & Associates, Practicing Company Secretary, Mumbai (COP No. 6740 and Membership No. FCS 7956), were appointed as Secretarial Auditor to conduct a Secretarial Audit of records and documents of the Company for financial year 2019-20. The Secretarial Audit Report confirms that the Company has complied with the provisions of the Act, Rules, Regulations, and Guidelines. The Secretarial Audit Report is provided in Form MR-3 (**Annexure – B**). The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

28. Particulars of loans, guarantees or investments under section 186 of the Companies Act, 2013

During the financial year 2019-20, the Company has given the following loans or guarantees or provided any security or made an investment pursuant to provisions of section 186 of the Companies Act, 2013:

Sr. No.	Name of the Company to whom loan/guarantee/security provided	Amount (in Rs.)	Outstanding as on March 31, 2020
1	Aditya Birla Renewables Limited – Loans provided in form of inter corporate deposit	1,00,00,000	NIL

29. Particulars of contracts or arrangements with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013

The Policy on Related Party Transactions, was approved by the Board at its meeting held on August 02, 2016 and is available at the registered office of the Company. During the financial year 2019-20, there were no contracts or arrangements with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 and as such, the particulars as mentioned in section 134(3)(h) of the Companies Act, 2013 read with rule 8(2) of the Companies (Accounts) Rules, 2014 are not applicable

30. The details relating to deposits, covered under Chapter V of the Companies Act, 2013

During the financial year 2019-20, the Company has not accepted any deposits covered under Chapter V of the Companies Act, 2013:

(a)	Accepted during the year	-	NIL
(b)	Remained unpaid or unclaimed as at the end of the year	-	NIL
(c)	Whether there has been any default in repayment of deposits or payment of interest thereon during the year and if so, number of such cases and the total amount involved –		
(i)	At the beginning of the year	-	Not Applicable
(ii)	Maximum during the year	-	Not Applicable
(iii)	At the end of the year	-	Not Applicable

31. The details of deposits which are not in compliance with the requirements of Chapter V of the Companies Act, 2013

As on March 31, 2020, there are no deposits/any other money, which are not in compliance with requirements of Chapter V of the Companies Act, 2013.

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32. Extract of Annual Return

Pursuant to sub-section 3(a) of section 134 and sub-section (3) of section 92 of the Companies Act, 2013 read with Rule 12(1) of the Companies (Management and Administration) Rules, 2014, an extract of the Annual Return as on March 31, 2020 in Form No. MGT 9 is attached herewith as **Annexure – C** and forms part of this Report.

33. The details in respect of adequacy of internal financial controls with reference to the Financial Statements

The management of the Company has laid down the internal financial controls to be followed by the Company and ensured that such internal financial controls are adequate and operating effectively as required under the provisions of section 134(5)(e) of the Companies Act, 2013. The design, effectiveness and year end testing of the Risk Control Matrix (RCMs) formulated 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 have been verified from time to time by the management.

34. Risk Management

Your Company recognizes that Risk is an integral part of business and is committed to managing the risk in a pro-active and efficient manner. Accordingly, the Board of Directors of your Company has framed and adopted a comprehensive risk management policy/framework at its meeting held on May 10, 2016, which was reviewed by the Board at its meeting held on May 18, 2018. The Board of Directors of your Company are of the opinion that at present, there are no elements of risk, which may threaten the existence of the Company.

35. Conservation of energy, technology absorption, foreign exchange earnings and outgo

Information required under section 134(3)(m) of the Companies Act, 2013 read with rule 8(3) of the Companies (Accounts) Rules, 2014 with respect to conservation of energy, technology absorption, foreign exchange earnings and outgo is as under:

(A)	Conservation of energy –	
(i)	The steps taken or impact on conservation of energy;	- NIL
(ii)	The steps taken by the company for utilizing alternate sources of energy;	- NIL
(iii)	The capital investment on energy conservation equipment;	- NIL
(B)	Technology absorption –	
(i)	The efforts made towards technology absorption;	- NIL
(ii)	The benefits derived like product improvement, cost reduction, product development or import substitution;	- NIL
(iii)	In case of imported technology (imported during the last three years reckoned from the beginning of the financial year);	
(a)	The details of technology imported	- NIL
(b)	The year of import	- NIL
(c)	Whether the technology been fully absorbed	- NIL
(d)	If not fully absorbed, areas where absorption has not taken place and the reasons thereof	- NIL
(iv)	The expenditure incurred on Research and Development	- NIL
(C)	Foreign exchange earnings and outgo –	

The foreign exchange earned in terms of actual inflows during the reporting period and the foreign exchange outgo during the reporting period in terms of actual outflows – USD 2,24,02,243.54 (Outflow)

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36. Compliance with Secretarial Standards

The applicable Secretarial Standards, i.e. SS-1 and SS-2 relating to 'Meetings of the Board of Directors' and 'General Meetings', respectively have been duly complied by the Company.

37. The details of significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and Company's operations in future

During the financial year 2019-20, there are no significant and material orders passed by the regulators or courts or tribunals, which have an impact on the going concern status of the Company and Company's operations in future.

38. Revision of Financial Statements or Board of Directors Report of preceding three financial years

There is no revision of Financial Statements or Board of Directors' Report during the preceding financial year(s).

39. Cost Records

Pursuant to provision of rule 3 of the Companies (Cost Records and Audit) Rules, 2014, during the financial year 2019-20 the company had maintained cost records as specified by the Central Government under section 148 of the Companies Act, 2013.

40. Disclosure under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

During the financial year 2019-20 no cases or complaints were filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

41. Update on the Merger of the Company with and into Aditya Birla Renewables Limited

The Board of Directors of the Company had approved the draft Scheme of the proposed merger with and into Aditya Birla Renewables Limited and had authorized officials of the Company to do such acts, deeds and things for and on behalf of the Company in relation to the proposed Scheme in its meeting held on November 26, 2019.

Later, the Company has filed the Application and Scheme of Arrangement with the National Company Law Tribunal, Mumbai ("NCLT") on 27 March 2020 for the amalgamation of the Company with and into Aditya Birla Renewables Limited under Sections 230 and 232 of the Companies Act, 2013 and the rules framed thereunder. This Application has been filed online on the NCLT portal owing to the nationwide lockdown in India. The allotment of a case number and hearing date from NCLT is awaited, pursuant to which it will pass further orders.

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42. Acknowledgement

The Board of Directors extend their sincere thanks to the Bankers, Members, Government Authorities and all others associated with the Company for their kind co-operation, continued support, assistance, trust and confidence reposed by them in the Company. The Board of Directors also expresses its sincere appreciation to team for the performance and results during the financial year 2019-20.

For and on behalf of the Board of Directors of
Aditya Birla Solar Limited

ADITYA BIRLA SOLAR LIMITED

Devajyoti N. Bhattacharya	**Ravinder Khanna**
(Managing Director)	**(Director)**
DIN: 00868751	**DIN: 01005216**

Place: Mumbai
Date: June 1, 2020

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Annexure – A

ANNUAL REPORT ON CSR ACTIVITIES

1. ***A brief outline of the company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web link to the CSR policy and projects or programs***

The Corporate Social Responsibility (CSR) Policy of the Company is based on the vision to actively contribute to the social and economic development of the communities in which the Company operate. In so doing build a better, sustainable way of life for the weaker sections of society and raise the country's human development index.

In order to effectively utilize the funds for CSR activity, at present the Company has identified the contribution to the A World of Opportunity Foundation" (AWOO Foundation) as CSR activity. Other than this, the Company has not identified any other projects or programs to be undertaken by the Company as CSR activity. Further, as the Company does not have any website, the contents of the CSR policy and the details of projects or programs are not placed on the website.

2. ***The Composition of the CSR Committee***

The Board of Directors of the Company at their meeting held on November 6, 2018 constituted the Corporate Social Responsibility (CSR) Committee with the following Directors of the Company as members:

i. Mr. Devajyoti N. Bhattacharya	-	Chairman
ii. Mrs. Pinky Atul Mehta	-	Member
iii. Mr. Ravinder Khanna	-	Member

3. ***Average net profit of the company for last three financial years***

The net profits of the Company for last three financial years calculated in accordance with the provisions of section 198 of the Companies Act, 2013 are as under:

Sr. No.	Financial Years	Net Profit as per Section 135 of the Companies Act, 2013 (Rs.)
1	2018-19	10,13,43,772
2	2017-18	8,86,85,976
3	2016-17	(84,47,242)
	Average Net Profits	**6,05,27,502**

Average net profit of the Company for last thee financial years is Rs. 6,05,27,502

4. ***Prescribed CSR Expenditure (two per cent of the amount as in Item 3 above)***

Prescribed CSR Expenditure is Rs. Rs. 12,10,550 (Rupees Twelve Lakh Ten Thousand Five Hundred Fifty Only)

5. ***Details of CSR spent during the financial year:***

(a)	Total amount to be spent for the financial year	:	Rs. 12,11,000
(b)	Amount unspent, if any	:	NIL

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(c) Manner in which the amount spent during the financial year is detailed below:

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Sr. No.	CSR project or activity identified	Sector in which the project is covered	Projects or programs (1) Local area or other (2) Specify the State and district where projects or Programs was undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs Sub-heads (1) Direct expenditure on projects or programs (2) Overheads	Cumulative expenditure upto the reporting period	Amount spent: Direct or through impleme nting agency
1	Contribution to the A World of Opportunity Foundation (AWOO Foundation)	Education	Providing timely educational scholarships to deserving and capable youths all over India.	Rs. 12,11,000 (Rupees Twelve Lakh Eleven Thousand Only)	(1) Direct expenditure on projects or programs - Rs. 12,11,000 (Rupees Twelve Lakh Eleven Thousand Only) (2) Overheads – NIL	Rs. 12,11,000 (Rupees Twelve Lakh Eleven Thousand Only)	Direct
	Total		-	-	**Rs. 12,11,000**	**Rs. 12,11,000**	-

6. ***In case the company has failed to spend the two percent of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board's report***

During the financial year 2019-20, the Company contributed full amount of Rs. 12,11,000 to AWOO Foundation. However, as per the spending plan/ program of AWOO Foundation for educational programs/sponsorships, the Foundation will be spending such amount in a phased manner over a period of four years. Thus, for the financial year 2019-20, the Foundation has spent an amount of Rs. 4,22,165 towards their specified activities.

7. The CSR Committee of the Company hereby state that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company. Yes

ADITYA BIRLA SOLAR LIMITED

For and on behalf of the Board of Directors of
Aditya Birla Solar Limited

Devajyoti N. Bhattacharya
(Managing Director and Chairman of CSR Committee)
DIN: 00868751

Ravinder Khanna
(Director)
DIN: 01005216

Place: Mumbai
Date: June 1, 2020

Dilip Bharadiya
B.Com., A.C.A., F.C.S.
Proprietor

DILIP BHARADIYA & ASSOCIATES
COMPANY SECRETARIES

Phone : 91 - 22 - 2888 3756
Mobile : 91 - 98202 90360
Email : dilipbcs@gmail.com
: dilip@csdilip.com

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31st March 2020

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
ADITYA BIRLA SOLAR LIMITED
Mumbai

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Aditya Birla Solar Limited (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

On account of ongoing pandemic of COVID-19 and consequent lockdown as directed by the Central and State Government(s), the process of audit has been modified. Some of the documents /records /returns / registers /minutes were not verified physically, however, the documents were made available in electronic mode and were verified based on the representations received from the Company for its accuracy and authenticity. Based on our verification of 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, 2020, 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 as given in **Annexure I,** for the financial year ended on 31st March, 2020, according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the Companies Act, 1956 (to the extent applicable) and the rules made thereunder;
(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;

Contd . . 2

DILIP BHARADIYA & ASSOCIATES MUMBAI FCS 7956 C.P. 6740 Company Secretaries

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
(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; to the extent applicable,
(v) The Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ("SEBI Act") and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") were not applicable to the Company during the period under review.

We have relied on the representations made by the Company and its Officers and report of the Internal Auditors for systems and mechanism formed by the Company for compliances under other applicable Acts, Laws and Regulations to the Company. The List of other Laws / Rules/ Regulations applicable to the Company is given in **Annexure II**.

We have also examined compliance with the applicable clauses of the Secretarial Standards issued by The Institute of Company Secretaries of India.

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

We further report that

The Company is a wholly-owned subsidiary of Grasim Industries Limited ('GIL") and as per Rule 4 of the Companies (Appointment and Qualification of Directors) Rules, 2017 amended and notified on 5th July, 2017, pursuant to which the Company was not required to appoint any Independent Director on its Board. Further, Rule 6 of Companies (Meetings of Board and its Powers) Rules, was amended and notified on 13th July, 2017 and subsequently the Company was not required to constitute an Audit Committee or Nomination and Remuneration Committee of the Board of Directors of the Company.

The Board of Directors of the Company is duly complied with. The changes in the Key Managerial Personnel that took place during the period under review were carried out in compliance with the provisions of the Act.

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 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.

DILIP BHARADIYA & ASSOCIATES MUMBAI FCS 7956 C.P. 6740 Company Secretaries

Contd . . 3

All resolutions including resolutions passed by way of circulation of the Board of Directors are approved by the requisite majority and are duly recorded in the respective minutes.

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 year under review the Board of Directors in the meeting held on 26th November 2019 approved the Scheme of Arrangement between the Company into Aditya Birla Renewables Limited.

NOTE: *This report is to be read with our letter of even date which is annexed as Annexure III and forms an integral part of this report.*

For **DILIP BHARADIYA & ASSOCIATES**

Bharadiya

DILIP BHARADIYA
Proprietor
FCS No.: 7956, C P No.: 6740

DILIP BHARADIYA & ASSOCIATES MUMBAI FCS 7956 C.P. 6740 Company Secretaries

Place : Mumbai
Date : June 1, 2020
UDIN : F007956B000306751

ANNEXURE - I

List of documents verified:

1. Memorandum & Articles of Association of the Company.
2. Annual Report for the financial period ended 31st March, 2019
3. Minutes of the meetings of the Board of Directors, Corporate Social Responsibility Committee, along with Attendance Register held during the financial year under report.
4. Minutes of General Body Meetings held during the financial year under report.
5. Statutory Registers viz.
   - Register of Directors & KMP
   - Register of Directors' Shareholding
   - Register of Contracts or arrangements in which directors are interested
   - Register of loans, guarantees and security and acquisition made by the Company
   - Register of Renewed and Duplicate Share Certificate
6. Agenda papers submitted to all the directors / members for the Board Meetings and Committee Meetings.
7. Declarations received from the Directors of the Company pursuant to the provisions of Section 184 of the Companies Act, 2013.
8. E-Forms filed by the Company, from time-to-time, under applicable provisions of the Companies Act, 2013 and attachments thereof during the financial year under report.

DILIP BHARADIYA & ASSOCIATES MUMBAI FCS 7956 C.P. 6740 Company Secretaries

ANNEXURE - II

List of applicable Laws/ Rules/ Regulations of the company:

1. Electricity Act, 2003
2. Indian Electricity Rules 1956
3. Energy Conservation Act, 2001
4. The Rules, Regulations and applicable Orders under Central and State Electricity Regulatory Commission / Authority.

DILIP BHARADIYA & ASSOCIATES
MUMBAI
FCS 7956
C.P. 6740
Company Secretaries

ANNEXURE - III

To,
The Members,
ADITYA BIRLA SOLAR LIMITED
MUMBAI

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. My responsibility is to express an opinion on these secretarial records based on our audit.
2) I 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 test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices, I followed provide a reasonable basis for our opinion.
3) I have not verified the correctness and appropriateness of financial records and Books of accounts of the Company.
4) Wherever required, I 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. My examination was limited to the verification of procedures on test basis.
6) The Secretarial Audit report is neither an assurance as to future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For DILIP BHARADIYA & ASSOCIATES

DILIP BHARADIYA
Proprietor

DILIP BHARADIYA & ASSOCIATES
MUMBAI
FCS 7956
C.P. 6740

...; C.P. No.: 6740

Place : Mumbai
Date : June 1, 2020

ADITYA BIRLA SOLAR LIMITED

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ANNEXURE – C

Form No. MGT-9

EXTRACT OF ANNUAL RETURN

as on the financial year ended on March 31, 2020

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS

(i)	CIN	U40106MH2016PLC280762
(ii)	Registration Date	May 6, 2016
(iii)	Name of the Company	Aditya Birla Solar Limited
(iv)	Category / Sub-Category of the Company	Company limited by shares Indian Non-Government Company
(v)	Address of the Registered of the Company	A-4, Aditya Birla Centre, S K Ahire Marg, Worli, Mumbai-400030, Maharashtra, India
(vi)	Whether listed company	No
(vii)	Name, Address and Contact details of Registrar and Transfer Agent, if any	KFin Technologies Private Limited (Formerly known as Karvy Fintech Private Limited) Karvy Selenium, Tower B, Plot No- 31 & 32, Financial District, Nanakramguda, Serilingampally, Hyderabad, Rangareddi, Telangana, India, 500032 P: 1800 419 8283

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the company shall be stated

Sr. No.	Name and Description of main products / services	NIC Code of the Product / Service	% to total turnover of the Company
1	Electric Power Generation using Solar Energy	35105	100%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sr. No.	Name and Address of the Company	CIN / GLN	Holding / Subsidiary / Associate	% of shares held	Applicable section
1	Grasim Industries Limited **Registered Office:** Birlagram, Nagda – 456 331, Ujjain, Madhya Pradesh, India **Corporate Office:** Aditya Birla Centre "A Wing, 2nd Floor, S. K. Ahire Marg, Worli, Mumbai – 400 030 Maharashtra, India	L17124MP1947PLC000410	Holding Company	100%	Section 2(46) of the Companies Act, 2013

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IV. SHAREHOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

(i) Category-wise Shareholding

Category of Shareholders	No. of Shares held at the beginning of the year i.e. April 1, 2019				No. of Shares held at the end of the year i.e. March 31, 2020				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
(a) Individual / HUF	50	0	50	0.00	50	0	50	0.00	0.00
(b) Central Govt.	0	0	0	0.00	0	0	0	0.00	0.00
(c) State Govt(s)	0	0	0	0.00	0	0	0	0.00	0.00
(d) Bodies Corp.	6,65,85,304	0	6,65,85,304	100.00	6,65,85,304	0	6,65,85,304	100.00	0.00
(e) Banks / FI	0	0	0	0.00	0	0	0	0.00	0.00
(f) Any other	0	0	0	0.00	0	0	0	0.00	0.00
Sub-Total (A)(1)	**6,65,85,354**	**0**	**6,65,85,354**	**100.00**	**6,65,85,354**	**0**	**6,65,85,354**	**100.00**	**0.00**
(2) Foreign									
(a) NRIs – Individuals	0	0	0	0.00	0	0	0	0.00	0.00
(b) Other – Individuals	0	0	0	0.00	0	0	0	0.00	0.00 0.00
(c) Bodies Corp.	0	0	0	0.00	0	0	0	0.00	0.00
(d) Banks/ FI	0	0	0	0.00	0	0	0	0.00	0.00
(e) Any other	0	0	0	0.00	0	0	0	0.00	0.00
Sub-Total (A)(2)	**0**	**0**	**0**	**0.00**	**0**	**0**	**0**	**0.00**	**0.00**
Total shareholding of Promoter (A) = (A)(1) + (A)(2)	**6,65,85,354**	**0**	**6,65,85,354**	**100.00**	**6,65,85,354**	**0**	**6,65,85,354**	**100.00**	**0.00**
B. Public Shareholding									
1. Institutions									
(a) Mutual Funds	0	0	0	0.00	0	0	0	0.00	0.00
(b) Banks/ FI	0	0	0	0.00	0	0	0	0.00	0.00
(c) Central Govt.	0	0	0	0.00	0	0	0	0.00	0.00
(d) State Govt(s)	0	0	0	0.00	0	0	0	0.00	0.00
(e) Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
(f) Insurance Companies	0	0	0	0.00	0	0	0	0.00	0.00
(g) FIIs	0	0	0	0.00	0	0	0	0.00	0.00
(h) Foreign Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
(i) Others (Specify)	0	0	0	0.00	0	0	0	0.00	0.00
Sub-Total (B)(1)	**0**	**0**	**0**	**0.00**	**0**	**0**	**0**	**0.00**	**0.00**

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2. Non-Institutions									
(a) Bodies Corp.									
(i) Indian	0	0	0	0.00	0	0	0	0.00	0.00
(ii) Overseas	0	0	0	0.00	0	0	0	0.00	0.00
(b) Individuals									
(i) Individual Shareholders holding nominal share capital upto Rs. 1 Lakh	0	0	0	0.00	0	0	0	0.00	0.00
(ii) Individual Shareholders holding nominal share capital in excess of Rs. 1 Lakh	0	0	0	0.00	0	0	0	0.00	0.00
(c) Others (Specify)	0	0	0	0.00	0	0	0	0.00	0.00
Sub-Total (B)(2)	**0**	**0**	**0**	**0.00**	**0**	**0**	**0**	**0.00**	**0.00**
Total Public Shareholder (B) = (B)(1) + (B)(2)	**0**	**0**	**0**	**0.00**	**0**	**0**	**0**	**0.00**	**0.00**
C. Shares held by Custodian for GDRs & ADRs	**0**	**0**	**0**	**0.00**	**0**	**0**	**0**	**0**	**0.00**
Grand Total (A+B+C)	**6,65,85,354**	**0**	**6,65,85,354**	**100.00**	**6,65,85,354**	**0**	**6,65,85,354**	**100.00**	**0.00**

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(ii) Shareholding of Promoters

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year i.e. April 1, 2019			Shareholding at the end of the year i.e. March 31, 2020			-
		No. of shares	% of total shares of the Company	% of shares pledged /encumbered to total shares	No. of shares	% of total shares of the Company	% of shares pledged/ encumbered to total shares	% change in shareholding during the year
1	Grasim Industries Limited	6,65,85,304	100.00	0.00	6,65,85,304	100.00	0.00	0.00
2	Mrs. Hutokshi Wadia (Nominee of Grasim Industries Limited)	10	0.00	0.00	10	0.00	0.00	0.00
3	Mr. Hemant Kadel (Nominee of Grasim Industries Limited)	10	0.00	0.00	5	0.00	0.00	0.00
4	Mr. Mahendra Bhandari (Nominee of Grasim Industries Limited)	10	0.00	0.00	10	0.00	0.00	0.00
5	Mr. Pavan K Jain (Nominee of Grasim Industries Limited)	10	0.00	0.00	10	0.00	0.00	0.00
6	Mr. Anil Kumar Ladha (Nominee of Grasim Industries Limited)	10	0.00	0.00	10	0.00	0.00	0.00
7	Mr. Shriram Jagetiya (Nominee of Grasim Industries Limited)	0	0.00	0.00	5	0.00	0.00	0.00
	Total	**6,65,85,354**	**100**	**0.00**	**6,65,85,354**	**100**	**0.00**	**0.00**

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(iii) Change in Promoters' Shareholding (please specify, if there is no change)

Sr. No.		Shareholding at the beginning of the year i.e. as on April 1, 2019		Cumulative shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
A	**At the time beginning of the year**				
1	Grasim Industries Limited	6,65,85,304	100.00	6,65,85,304	100.00
2	Mrs. Hutokshi Wadia (Nominee of Grasim Industries Limited)	10	0.00	10	0.00
3	Mr. Hemant Kadel (Nominee of Grasim Industries Limited)	10	0.00	10	0.00
4	Mr. Mahendra Bhandari (Nominee of Grasim Industries Limited)	10	0.00	10	0.00
5	Mr. Pavan K Jain (Nominee of Grasim Industries Limited)	10	0.00	10	0.00
6	Mr. Anil Kumar Ladha (Nominee of Grasim Industries Limited)	10	0.00	10	0.00
B	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e. g. ~~allotment~~ / transfer / ~~bonus~~ / ~~sweat equity/merger or amalgamation~~ etc.) ***Date of transfer of Shares: 01.04.2019 (Transfer of 5 equity shares out of 10 equity shares to Mr. Shriram Jagetiya (Nominee of Grasim Industries Limited) from Mr. Hemant Kadel (Nominee of Grasim Industries Limited)***				
1	Mr. Hemant Kadel (Nominee of Grasim Industries Limited)	10	0.00	5	0.00
2	Mr. Shriram Jagetiya (Nominee of Grasim Industries Limited)	0	0.00	5	0.00
C	**At the end of the year**				
1	Grasim Industries Limited	-	-	6,65,85,304	100.00
2	Mrs. Hutokshi Wadia (Nominee of Grasim Industries Limited)	-	-	10	0.00
3	Mr. Hemant Kadel (Nominee of Grasim Industries Limited)	-	-	5	0.00
4	Mr. Mahendra Bhandari (Nominee of Grasim Industries Limited)	-	-	10	0.00
5	Mr. Pavan K Jain (Nominee of Grasim Industries Limited)	-	-	10	0.00
6	Mr. Anil Kumar Ladha (Nominee of Grasim Industries Limited)	-	-	10	0.00
7	Mr. Shriram Jagetiya (Nominee of Grasim Industries Limited)	-	-	5	0.00

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(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and holders of GDRs and ADRs)

Sr. No.	For each of the top 10 shareholders	Shareholding at the beginning of the year i.e. April 01, 2019		Cumulative shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
	At the beginning of the year	0	0.00	0	0.00
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e. g. allotment / transfer / bonus / sweat equity etc.)	0	0.00	0	0.00
	At the end of the year (or on the date of separation, if separated during the year)	0	0.00	0	0.00

(v) Shareholding of Directors and Key Managerial Personnel

Sr. No.		Shareholding at the beginning of the year i.e. April 01, 2019		Cumulative shareholding during the year	
	For each of the Directors and KMP	No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
	At the beginning of the year	0	0	0	0
	Date wise Increase / Decrease in during the year specifying the reasons for increase / decrease (e. g. allotment / transfer / bonus / sweat equity etc.)	0	0	0	0
	At the end of the year (or on the date of separation, if separated during the year)	0	0	0	0

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V. INDEBETEDNESS

	Secured Loans excluding Deposits (Rs.)	Unsecured Loans (Rs.) (inter corporate loan)	Deposit (Rs.) / Optionally Fully Convertible Debentures (Rs.)	Total Indebtedness (Rs.)
Indebtedness at the beginning of the financial year				
(i) Principal Amount	2,58,00,00,000	0	0	2,58,00,00,000
(ii) Interest due but not paid	0	0	0	0
(iii) Interest accrued but not due	8,84,55,539	0	0	8,84,55,539
Total (i+ii+iii)	**2,66,84,55,539**	**0**	**0**	**2,66,84,55,539**
Change in Indebtedness during the financial year				
• Addition (including interest)	2,08,78,77,339	13,09,89,051	0	2,21,88,66,390
• Reduction (including interest)	2,37,42,12,915	0	0	2,37,42,12,915
Net Change	**(28,63,35,576)**	**13,09,89,051**	**0**	**4,59,30,79,305**
Indebtedness at the end of the financial year				
(i) Principal amount	2,37,30,43,784	13,00,00,000	0	2,50,30,43,784
(ii) Interest due but not paid	0	0	0	0
(iii) Interest accrued but not due	90,76,179	989051	0	1,00,65,230
Total (i+ii+iii)	**2,38,21,19,963**	**13,09,89,051**	**0**	**2,51,31,09,014**

Note: The borrowings as per Ind AS financial statements as on March 31, 2020 is Rs. 2,53,05,46,814. (Previous year: Rs. 2,72,16,51,287)

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. *Remuneration to Managing Director, Whole-time Directors and / or Manager*

Sr. No.	Particulars of Remuneration	Name of MD / WTD / Manager Mr. Devajyoti N. Bhattacharya, Managing Director (Rs.)	Total Amount (Rs.)
1.	**Gross salary**		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	1	1
	(b) Value of perquisites u/s 17(2) of Income Tax Act, 1961	0	0
	(c) Profits in lieu of salary under section 17(3) of Income Tax Act, 1961	0	0
2.	Stock Option	0	0
3.	Sweat Equity	0	0
4.	Commission		
	- as % of profit	0	0
	- others, specify	0	0
5.	Others, please specify	0	0
	Total (A)	**1**	**1**
	Ceiling as per the Act (Rs.)	In accordance with the provisions of Companies Act, 2013	

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B. Remuneration to other directors

Sr. No.	Particulars of Remuneration	Name of Directors		Total Amount (Rs.)
		Mr. Ravinder Khanna	Mrs. Pinky Atul Mehta	
1.	**Independent Directors** • Fee for attending board / committee meetings • Commission • Others, please specify	0 0 0	0 0 0	0 0 0
	Total (1)	**0**	**0**	**0**
2.	Other Non-Executive Directors • Fee for attending board / committee meetings • Commission • Others, please specify	0 0 0	0 0 0	0 0 0
	Total (2)	**0**	**0**	**0**
	Total (B) = (1+2)	**0**	**0**	**0**
	Total Managerial Remuneration	**0**	**0**	**0**
	Overall Ceiling as per the Act (Rs.)	In accordance with the provisions of Companies Act, 2013		

C. Remuneration to Key Managerial Personnel other than MD / Manager / WTD

Sr. No.	Particulars of Remuneration	Key Managerial Personnel (in Rs.)				
		CEO	**Company Secretary Ms. Femi Jain**	**CFO Mr. Akhil Mundra (upto October 30, 2019)**	**CFO Ms. Ranjita Deo (appointed w.e.f. November 8, 2019)**	**Total Amount (Rs.)**
1.	**Gross salary** (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) of Income Tax Act, 1961 (c) Profits in lieu of salary under section 17(3) of Income Tax Act, 1961	- - -	5,97,430 0 0	1 0 0	1 0 0	5,97,432 0 0
2.	Stock Option	-	0	0	0	0
3.	Sweat Equity	-	0	0	0	0
4.	Commission - as % of profit - others, specify	-	0	0	0	0
5.	Others, please specify	-	0	0	0	0
	Total	**-**	**5,97,430**	**1**	**1**	**5,97,432**

ADITYA BIRLA SOLAR LIMITED

Registered Office: A-4, Aditya Birla Centre, S. K. Ahire Marg, Worli, Mumbai - 400 030, Maharashtra, India
Corporate Identity Number: U40106MH2016PLC280762
Phone: +91 22 2499 5000, 6652 5000, Fax: +91 22 2499 5821, 6652 5821
Email: absl@adityabirla.com

VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment / Compounding fees imposed	Authority (RD/NCLT/ COURT)	Appeal made, if any (give details)
A. COMPANY					
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL
B. DIRECTORS					
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL
C. **OTHER OFFICERS IN DEFAULT**					
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL

For and on behalf of the Board of Directors of Aditya Birla Solar Limited

ADITYA BIRLA SOLAR LIMITED

Devajyoti N. Bhattacharya
(Managing Director)
DIN: 00868751

Ravinder Khanna
(Director)
DIN: 01005216

Place: Mumbai
Date: June 1, 2020

S R B C & CO LLP
Chartered Accountants

12th Floor, The Ruby
29 Senapati Bapat Marg
Dadar (West)
Mumbai - 400 028, India
Tel: +91 22 6819 8000

INDEPENDENT AUDITOR'S REPORT

To the Members of Aditya Birla Solar Limited

Report on the Audit of the Ind AS Financial Statements

Opinion

We have audited the accompanying Ind AS financial statements of Aditya Birla Solar Limited ("the Company"), which comprise the Balance Sheet as at 31 March 2020, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the Ind AS financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2020, its loss including other 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 Ind AS financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Ind AS Financial Statements' section of our report. We are independent of the Company in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Ind AS financial statements.

Other Information

The Company's Board of Directors is responsible for the other information. The other information comprises the Board of Directors' Report, but does not include the Ind AS financial statements and our Auditor's report thereon.

Our opinion on the Ind AS 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 Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the financial statements or our knowledge obtained in the 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.

Responsibility of Management for the Ind AS 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 Ind AS 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 accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. 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 the 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 Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Ind AS financial statements, the 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 Responsibilities for the Audit of the Ind AS financial statements

Our objectives are to obtain reasonable assurance about whether the Ind AS 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 Ind AS 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 Ind AS 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 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 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 Ind AS financial statements, including the disclosures, and whether the Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

Report on Other Legal and Regulatory Requirements

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 Act, we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.
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;

(c) The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement 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 Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;

(e) On the basis of the written representations received from the directors as on 31 March 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2020 from being appointed as a director in terms of Section 164 (2) of the Act;

(f) With respect to the adequacy of the internal financial controls over financial reporting of the Company with reference to these Ind AS financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;

(g) In our opinion, the managerial remuneration for the year ended 31 March 2020 has been paid / provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act;

(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;

ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For S R B C & CO LLP
Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003

per Vijay Maniar
Partner
Membership Number: 36738
UDIN: 20036738AAAACK8051
Place of Signature: Mumbai
Date: 01 June 2020

Annexure 1 referred to in Paragraph 1 under the heading "Report on Other Legal and Regulatory Requirements" of our report of even date

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) Fixed assets have been physically verified by the management during the year and no material discrepancies were identified on such verification.

(c) According to the information and explanations given to us, and on the basis of our examination of the records of the Company, the title deeds of immovable properties, as disclosed in Note 3 to the Ind AS financial statements, are held in the name of the Company, except for the following:

Sr. No.	Asset Category	Gross block as at 31 March 2020	Net block as at 31 March 2020	Total number of cases
1	Freehold land	15,62,84,268	15,62,84,268	26

(ii) The Company's business does not involve inventories and, accordingly, the provisions of clause 3(ii) of the Order are 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 companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013 ("the Act"). Accordingly, the provisions of clause 3(iii)(a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.

(iv) In our opinion and according to the information and explanations given to us, there are no loans, investments, guarantees, and securities given in respect of which provisions of section 185 and 186 of the Act are applicable and hence not commented upon.

(v) The Company has not accepted any deposits within the meaning of sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.

(vi) To the best of our knowledge and as explained, the Central Government has not specified the maintenance of cost records under section 148(1) of the Act for the products/services of the Company.

(vii) (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including income-tax, goods and service tax, cess and other statutory dues applicable to it. The provisions relating to provident fund, employees' state insurance, sales-tax, service tax, duty of custom, duty of excise and value added tax are not applicable to the Company.

(b) According to the information and explanations given to us, no undisputed amounts payable in respect of income-tax, duty of custom, goods and service tax, cess and other statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable. The provisions relating to provident fund, employees' state insurance, sales-tax, service tax, duty of excise and value added tax are not applicable to the Company.

(c) According to the information and explanations given to us, there are no dues of income tax and cess which have not been deposited on account of any dispute. The provisions relating to sales-tax, service tax, duty of custom, duty of excise and value added tax are not applicable to the Company.

(viii) In our opinion and according to the information and explanations given by the management, the Company has not defaulted in repayment of loans or borrowing to a financial institution and banks. The Company has not issued any debentures.

(ix) According to the information and explanations given by the management, the Company has not raised any money way of initial public offer / further public offer / debt instrument. In our opinion and according to the information and explanations given by the management, monies raised by the Company by way of term loans were applied for the purpose for which they were raised.

(x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud by the Company or no material fraud on the Company by the officers and employees of the Company has been noticed or reported during the year.

(xi) According to the information and explanations given by the management, the managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act 2013.

(xii) In our opinion, the Company is not a Nidhi Company. Therefore, the provisions of clause 3(xii) of the order are not applicable to the Company and hence not commented upon.

(xiii) According to the information and explanations given by the management, transactions with the related parties are in compliance with section 188 of the Act where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards. The provisions of section 177 are not applicable to the Company and accordingly reporting under clause 3(xiii) insofar as it relates to section 177 of the Act is not applicable to the Company and hence not commented upon.

(xiv) According to the information and explanations given to us and on an overall examination of the balance sheet, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence, reporting requirements under clause 3(xiv) are not applicable to the Company and, not commented upon.

(xv) According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in section 192 of the Act.

(xvi) According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

For S R B C & CO LLP
Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003

per Vijay Maniar
Partner
Membership Number: 36738
UDIN: 20036738AAAACK8051
Place of Signature: Mumbai
Date: 01 June 2020

[illegible]

[illegible]

[illegible]

[illegible]

[illegible]

[illegible]

[illegible]

[illegible]

[illegible]

[illegible]

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

A Company's internal financial control over financial reporting with reference to these financial statements 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 with reference to these financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting with reference to these financial statements

Because of the inherent limitations of internal financial controls over financial reporting with reference to these financial statements, 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 with reference to these financial statements to future periods are subject to the risk that the internal financial control over financial reporting with reference to these financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, adequate internal financial controls over financial reporting with reference to these financial statements and such internal financial controls over financial reporting with reference to these financial statements were operating effectively as at 31 March 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

For S R B C & CO LLP
Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003

per Vijay Maniar
Partner
Membership Number: 36738
UDIN: 20036738AAAACK8051
Place of Signature: Mumbai
Date: 01 June 2020

Aditya Birla Solar Limited
CIN: U40106MH2016PLC280762
Balance Sheet as at 31 March 2020

(in Rs.)

Particulars	Notes	As at 31 March 2020	As at 31 March 2019
Assets			
Non current assets			
Property, plant and equipment	3	2,93,88,75,209	3,01,91,10,144
Capital work in progress	3	56,63,174	8,65,55,987
Deferred tax assets (net)	14	-	27,09,779
Non current tax assets (net)	4	92,88,843	77,76,481
Other non current assets	5	3,76,00,006	5,71,08,175
		2,99,14,27,232	**3,17,32,60,566**
Current assets			
Financial assets			
Trade receivables	6	11,75,16,902	15,73,97,588
Cash and cash equivalents	7	8,74,24,676	5,68,45,268
Bank balances other than cash and cash equivalents	8	15,12,10,000	7,68,80,000
Other financial assets	9	7,52,22,492	13,92,08,370
Other current assets	10	59,62,817	1,07,81,167
		43,73,36,887	**44,11,12,393**
Total assets		**3,42,87,64,119**	**3,61,43,72,959**
Equity and liabilities			
Equity			
Equity share capital	11	66,58,53,540	66,58,53,540
Other equity	12	(2,09,26,711)	13,01,49,178
Total equity		**64,49,26,829**	**79,60,02,718**
Liabilities			
Non current liabilities			
Financial liabilities			
Borrowings	13	2,32,77,46,814	2,53,75,82,217
Deferred tax liabilities (net)	14	21,99,39,379	-
		2,54,76,86,193	**2,53,75,82,217**
Current liabilities			
Financial liabilities			
Borrowings	13	13,00,00,000	-
Trade payables	15		
Total outstanding dues of micro and small enterprises		1,82,520	4,92,176
Total outstanding dues of creditors other than micro and small enterprises		35,85,850	47,29,308
Other financial liabilities	16	9,75,72,212	27,51,49,153
Other current liabilities	17	48,10,515	4,17,387
		23,61,51,097	**28,07,88,024**
Total liabilities		**2,78,38,37,290**	**2,81,83,70,241**
Total equity and liabilities		**3,42,87,64,119**	**3,61,43,72,959**

Summary of significant accounting policies — 2

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

As per our report attached of even date

For S R B C & CO LLP
Chartered Accountants
ICAI Firm Registration No.: 324982E/E300003

[illegible] Vijay Manjar
Partner
Membership No.: 36738
Place: Mumbai
Date: 1 June 2020

For and on behalf of the Board of Directors of
Aditya Birla Solar Limited

Devajyoti N Bhattacharya
Managing Director
DIN: 00868751

Ravinder Khanna
Director
DIN:01005216

Ranjita Deo
Chief Financial Officer

Femi Jain
Company Secretary
Membership No.: ACS 55411

Place: Mumbai
Date: 1 June 2020

ADITYA BIRLA SOLAR LIMITED

Aditya Birla Solar Limited
CIN: U40106MH2016PLC280762
Statement of Profit and Loss for the year ended 31 March 2020

(in Rs.)

Particulars	Notes	For the year ended 31 March 2020	For the year ended 31 March 2019
Income			
Revenue from operations	18	47,73,09,528	48,28,43,444
Other income	19	80,71,257	64,23,893
Total income		**48,53,80,785**	**48,92,67,337**
Expenses			
Operation and maintenance expenses	20	2,57,42,383	2,54,15,286
Depreciation expenses	3	9,58,34,740	9,40,51,522
Finance costs	21	20,77,03,126	23,85,01,198
Other expenses	22	10,02,63,260	2,99,55,559
Total expenses		**42,95,43,509**	**38,79,23,565**
Profit for the year before tax		**5,58,37,276**	**10,13,43,772**
Tax expenses	14		
Current tax		-	2,18,38,367
Deferred tax		17,81,46,419	2,06,01,772
MAT credit entitlement		3,99,20,418	(2,18,38,367)
Total tax expenses		**21,80,66,837**	**2,06,01,772**
Profit/(loss) for the year		**(16,22,29,561)**	**8,07,42,000**
Other comprehensive income			
Other comprehensive income not to be reclassified to profit and loss in subsequent periods			
Net movement on cashflow hedge		1,57,35,993	(40,78,713)
Income tax effect	14	(45,82,321)	13,70,449
Other comprehensive income for the year		**1,11,53,672**	**(27,08,264)**
Total comprehensive income for the year		**(15,10,75,889)**	**7,80,33,736**
Earnings per equity share of Rs. 10 each			
Basic and diluted	23	(2.44)	1.26

Summary of significant accounting policies 2
The accompanying notes are an integral part of these financial statements.

As per our report attached of even date

For S R B C & CO LLP
Chartered Accountants
ICAI Firm Registration No.: 324982E/E300003

per Vijay Maniar
Partner
Membership No.: 36738
Place: Mumbai
Date: 1 June 2020

For and on behalf of the Board of Directors of
Aditya Birla Solar Limited

Devajyoti N Bhattacharya
Managing Director
DIN: 00868751

Ravinder Khanna
Director
DIN:01005216

Ranjita Deo
Chief Financial Officer

Femi Jain
Company Secretary
Membership No.: ACS 55411

Place: Mumbai
Date: 1 June 2020

ADITYA BIRLA SOLAR LIMITED

Aditya Birla Solar Limited
CIN: U40106MH2016PLC280762
Cash Flow Statement for the year ended 31 March 2020

(in Rs.)

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Cash flow from operating activities		
Profit for the year before tax as per the statement of profit and loss	**5,58,37,276**	**10,13,43,772**
Adjustments for:		
Finance costs	20,76,78,372	23,84,62,873
Depreciation expenses	9,58,34,740	9,40,51,522
Capital work in progress written off and provision for capital advances	7,36,16,665	-
Profit on sale of fixed assets	(56,427)	-
Interest income	(75,69,700)	(44,09,658)
Stamp duty on issue of shares	-	62,047
Operating profit before working capital changes	**42,53,40,926**	**42,95,10,556**
Working capital adjustments		
(Increase)/decrease in trade receivables	3,98,80,686	(1,79,66,204)
Decrease in other financial assets, current and non current assets	1,25,72,092	2,80,38,705
Increase/(decrease) in trade payables	(14,53,114)	28,04,626
Increase in other financial liabilities and other current liabilities	1,18,89,557	41,21,893
Cash generated from operations	**48,82,30,146**	**44,65,09,576**
Income taxes paid (net of refund)	(15,12,362)	(2,41,24,445)
Cash generated from operating activities	**48,67,17,784**	**42,23,85,131**
Cash flow from investing activities		
Purchase of property, plant and equipment including capital work in progress	(1,74,60,989)	(39,33,58,973)
Proceeds from property, plant and equipment including capital work in progress	6,20,700	-
Fixed deposits with original maturity of more than three months	(11,73,20,000)	(17,34,00,000)
Fixed deposits with original maturity of more than three months matured/encashed	4,29,90,000	9,65,20,000
Interest received	85,60,397	28,60,023
Cash used in investing activities	**(8,26,09,892)**	**(46,73,78,950)**
Cash flow from financing activities		
Proceeds from issue of equity shares	-	6,20,45,444
Stamp duty on issue of shares	-	(62,047)
Proceeds from long term borrowings	1,88,47,37,758	29,83,06,026
Repayment of long term borrowings	(2,09,17,22,026)	(2,00,00,000)
Proceeds from inter corporate loan	13,00,00,000	10,35,00,000
Payment of inter corporate loan taken	-	(14,65,00,000)
Payment of loan transaction expenses	(1,40,25,275)	-
Finance costs	(28,25,18,941)	(22,04,42,434)
Cash generated from/(used in) financing activities	**(37,35,28,484)**	**7,68,46,989**
Net increase in cash and cash equivalents	3,05,79,408	3,18,53,170
Cash and cash equivalents at beginning of the year	5,68,45,268	2,49,92,098
Cash and cash equivalents at end of the year (note 7)	**8,74,24,676**	**5,68,45,268**

For the purpose of cash flow statement, cash and cash equivalents comprise the following: **(in Rs.)**

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Balances with banks		
On current accounts	5,54,24,676	28,45,268
Fixed deposits with original maturity of less than three months	3,20,00,000	5,40,00,000
Total	**8,74,24,676**	**5,68,45,268**

Note: Cash flow statement has been prepared under indirect method set out in Ind AS 7, prescribed under Companies (Indian Accounting Standard Rules), 2015 of the Companies Act, 2013.

Summary of significant accounting policies (note 2)
The accompanying notes are an integral part of these financial statements.

As per our report attached of even date

For S R B C & CO LLP
Chartered Accountants
ICAI Firm Registration No.: 324982E/E300003

per Vijay Maniar
Partner
Membership No.: 36738
Place: Mumbai
Date: 1 June 2020

For and on behalf of the Board of Directors of Aditya Birla Solar Limited

Devajyoti N Bhattacharya
Managing Director
DIN: 00868751

Ravinder Khanna
Director
DIN:01005216

Ranjita Deo
Chief Financial Officer

Femi Jain
Company Secretary
Membership No.: ACS 55411

Place: Mumbai
Date: 1 June 2020

ADITYA BIRLA SOLAR LIMITED

Aditya Birla Solar Limited
CIN: U40106MH2016PLC280762
Statement of Changes in Equity for the year ended 31 March 2020

A) Equity share capital

Particulars	Number of shares	Amount (in Rs.)
Equity shares of Rs. 10 each issued, subscribed and fully paid		
As at 1 April 2018	6,05,32,140	60,53,21,400
Issue of equity share capital (note 11)	60,53,214	6,05,32,140
As at 31 March 2019	**6,65,85,354**	**66,58,53,540**
Issue of equity share capital (note 11)	-	-
As at 31 March 2020	**6,65,85,354**	**66,58,53,540**

B) Other equity (in Rs.)

Particulars	Surplus in the statement of profit & loss	Securities premium	Other comprehensive income	Total
As at 01 April 2018	5,90,47,546	-	(84,45,408)	5,06,02,138
Additions during the year (note 12)	8,07,42,000	15,13,304	(27,08,264)	7,95,47,040
As at 31 March 2019	**13,97,89,546**	**15,13,304**	**(1,11,53,672)**	**13,01,49,178**
Additions during the year (note 12)	(16,22,29,561)	-	1,11,53,672	(15,10,75,889)
As at 31 March 2020	**(2,24,40,015)**	**15,13,304**	**-**	**(2,09,26,711)**

Summary of significant accounting policies (note 2)
The accompanying notes are an integral part of these financial statements.

As per our report attached of even date

For S R B C & CO LLP
Chartered Accountants
ICAI Firm Registration No.: 324982E/E300003

per Vijay Maniar
Partner
Membership No.: 36738
Place: Mumbai
Date: 1 June 2020

For and on behalf of the Board of Directors of Aditya Birla Solar Limited

Devajyoti N Bhattacharya
Managing Director
DIN: 00868751

Ravinder Khanna
Director
DIN:01005216

Ranjita Deo
Chief Financial Officer

Femi Jain
Company Secretary
Membership No.: ACS 55411

Place: Mumbai
Date: 1 June 2020

ADITYA BIRLA SOLAR LIMITED

1. Corporate information

Aditya Birla Solar Limited ('the Company') is a public limited Company incorporated on 6 May 2016 and domiciled in India having its registered office located at A-4, Aditya Birla Centre, S K Ahire Marg, Worli, Mumbai – 400 030, Maharashtra, India. Its Holding Company is Grasim Industries Limited.

The primary business of the Company is to generate and supply solar power energy to Hubli Electricity Supply Company Limited (HESCOM) and Bangalore Electricity Supply Company Limited (BESCOM).

The financial statements were authorized for issue in accordance with a resolution of the directors on 01 June 2020.

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) prescribed under section 133 of the Companies Act, 2013 read with rule 3 of the Companies (Indian Accounting Standards) Rules, 2015, (as amended) and presentation requirements of Division II of Schedule III to the Companies Act, 2013 (Ind AS compliant Schedule III), as applicable.

These financial statements have been prepared on a historical cost basis, except for certain financial assets and liabilities measured at carrying value which approximates the amortized cost and derivative instruments are measured at fair values at each balance sheet date, as explained in the accounting policies below.

In addition, the carrying values of recognised assets and liabilities designated as hedged items in fair value hedges that would otherwise be carried at amortised cost are adjusted to record changes in the fair values attributable to the risks that are being hedged in effective hedge relationships.

The financial statements are presented in Indian Rupees ('Rs.'), which is also the Company's functional currency.

2.2 Summary of significant accounting policies

a. Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current/non-current classification as per the requirements of Schedule III to the Companies Act, 2013.

An asset is treated as current when it is:
- Expected to be realized or intended to be 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 equivalent 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 current when:
- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is 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 and liabilities are classified as non-current assets and liabilities.

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The operating cycle is the time between the development/acquisition of assets for power generation and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

b. Foreign currencies

Transactions and balances
Transactions in foreign currencies are recognized at the rates of exchange prevailing at the dates of the transactions.

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 the statement of 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 the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

c. Fair value measurement

The Company measures financial instruments, such as derivatives at fair value at each balance sheet date.

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, or
- 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, wherever required, that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are 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, wherever required, for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable other than quoted prices include in level 1
- Level 3 — Valuation techniques, wherever required, for which the lowest level input that is significant to the fair value measurement is unobservable

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For assets and liabilities that are recognised 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.

When the fair value of financial assets and financial liabilities recorded in the statement of financial position cannot be measured based on quoted prices in active markets, their fair value is measured using various valuation techniques. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. Judgments include consideration of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair values of financial instruments.

d. Revenue recognition

(i) Revenue from sale of solar power

Revenue from sale of power is recognised net of estimated rebates and other similar allowances when the units of electricity is delivered at the contracted rate.

Revenue from such contracts is recognised over time for each unit of electricity delivered. The Company has identified supply of power over the term of PPA as a single performance obligation and is recognizing revenue over time using a single measure of progress. Accordingly, the Company recognizes revenue for the amount it has the right to invoice (i.e., on an as-invoiced basis) since the amount corresponds to the value it transfers to the customer.

The customers are billed on a monthly basis and are given an average credit period of 35 to 45 days for payment.

There is no significant judgement involved while evaluating the timing as to when customers obtain control of promised goods.

Contract balances

(a) Contract assets

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Company performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

(b) Trade receivables

A receivable represents the Company's unconditional right to an amount of consideration (i.e., only the passage of time is required before payment of the consideration is due).

(c) Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Company performs under the contract.

(d) Unbilled Revenue

Unbilled revenue represents services rendered by the Company but not invoiced as at the balance sheet date.

(ii) Interest income

Interest income is accrued on a time basis, by reference to the principle outstanding and at the effective interest rate applicable. Interest income on fixed deposit receipts is included in other income in the statement of profit and loss.

(iii) Income from sale of Verified Carbon Standard (VCS) Scheme

Income from VCS pertains to the sale of Verified Carbon Units generated from the Company's solar power plants. Since the quantum of accruals on such units sold cannot be ascertained with reasonable certainty, this income is accounted on acceptance basis.

e. Taxes

Tax expense comprises of current tax and deferred tax charge or credit.

Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the tax authorities in accordance with the Income-tax Act, 1961 enacted in India.

Current Tax is measured on the basis of estimated taxable income for the current accounting period in accordance with the applicable tax rates and the provisions of the Income-tax Act, 1961 and other applicable tax laws.

Current income tax, relating to items recognised outside profit or loss, is recognised outside profit or loss in other comprehensive income (OCI). Current tax items are recognised in correlation to the underlying transaction in other comprehensive income. The management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions, where appropriate.

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Tax relating to items recognized directly in other comprehensive income is recognized in other comprehensive income and not in the statement of profit or loss.

Deferred tax assets are recognized for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are re-assessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in 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.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities, and the deferred taxes relate to the same taxable entity and the same taxation authority.

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Minimum alternate tax

The Company has decided to opt for concessional tax rates as per the Taxation Laws Amendment Act (2019) during the financial year 2019-20, and accordingly MAT provisions are no longer applicable to the Company.

f. Property, plant and equipment (PPE)

Property, plant and equipment are stated at acquisition or construction cost less accumulated depreciation and impairment loss, if any. Freehold land is carried at historical cost and is not subject to depreciation. Cost comprises the purchase price and any attributable cost of bringing the asset to its location and working condition for its intended use, including relevant borrowing costs and any expected costs of decommissioning.

The cost of an item of PPE is recognised as an asset if, and only if, it is probable that the economic benefits associated with the item will flow to the Company in future periods and the cost of the item can be measured reliably. Expenditure incurred after the PPE have been put into operations, such as repairs and maintenance expenses are charged to the statement of profit and loss during the period in which they are incurred.

An item of PPE is de-recognised upon disposal or replacement or when no future economic benefits are expected to arise from the continued use of the assets. Any gain or loss arising on the disposal or replacement or retirement of an item of PPE, is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the statement of profit and loss.

Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets

- Plant and equipment: 30 years
- Building: 30 years

The Company, based on technical assessment made by management estimate, depreciates plant and equipment and building over estimated useful lives, which are different from the useful life prescribed in Schedule II to the Companies Act, 2013. The Management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

The residual values, useful lives and method of depreciation of property, plant and equipment are reviewed at each reporting period and adjusted prospectively, if appropriate.

Capital work in progress includes cost of property, plant and equipment under installation/development as at the reporting date and is stated at cost, net of accumulated impairment loss, if any.

g. 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 asset. All other expenses pertaining to borrowing obligations are expensed in the period in which they occur. Borrowing costs consists of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

h. Leases

Ind AS 116 supersedes Ind AS 17 Leases including evaluating the substance of transactions involving the legal form of a Lease. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model. Lessor accounting under Ind AS 116 is substantially unchanged under Ind AS 17.

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Lessors will continue to classify leases as either operating or finance leases using similar principles as in Ind AS 17. Therefore, Ind AS 116 did not have an impact for leases where the company is the lessor.

At inception of contract, the Company assesses whether the Contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assessed whether:

- the contract involves the use of identified asset;
- the Company has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and
- the Company has the right to direct the use of the asset.

The Company has adopted modified retrospective approach as per para C8 (c)(ii) of IND AS 116 - Leases, effective from annual reporting period beginning 01 April 2019. Accordingly, comparatives for the year ended 31 March 2019 have not been retrospectively adjusted.

Company as Lessee
The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

(a) Right-of-use assets

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying 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. Unless the Company is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognised right-of-use assets are depreciated on a straight-line basis over the lease term. Right-of-use assets are subject to impairment test.

(b) Lease liabilities

At the commencement date of the lease, the Company recognises 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 receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees.

The variable lease payments that do not depend on an index or a rate are recognised as expense in the period on which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable.

The Company has applied exemption not to recognize right-of-use assets and lease liabilities for short term leases that have a lease term of 12 months or less and leases of low value assets. The Company recognizes the lease payments associated with these leases as an expense over the term of 12 months. The Company presents right-to-use assets that do not meet the definition of investment property in 'Property, plant and equipment' and lease liabilities in 'Borrowings' in the Balance Sheet.

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(c) Short-term leases and leases of low-value assets

The Company 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 leases 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.

i. Provisions and Contingent Liabilities

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.

A present obligation that arises from past events, where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made, is disclosed as a contingent liability. Contingent liabilities are also disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. Contingent liabilities are possible but not probable obligations as on reporting date, based on the available evidence. Claims against the Company, where the possibility of any outflow of resources in settlement is remote, are not disclosed as contingent liabilities.

Contingent assets are not recognised in the financial statements since this may result in the recognition of income that may never be realised. However, when the realisation of income is virtually certain, then the related asset is not a contingent asset and is recognised.

j. Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability of another entity. Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments.

Initial recognition and measurement of financial assets and financial liabilities

Financial assets and Financial liabilities are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

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

Financial Assets:

(i) Classification and subsequent measurement of financial assets

A financial asset shall be classified and measured at fair value through profit or loss (FVTPL) unless it is measured at amortised cost or at fair value through OCI.

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.

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(ii)Impairment of financial assets

Financial assets, other than those at FVTPL, are assessed for indicators of impairment at the end of each reporting period. In case of trade receivables, the Company follows the simplified approach permitted by Ind AS 109 – Financial Instruments - for recognition of impairment loss allowance. The application of simplified approach does not require the Company to track changes in credit risk of trade receivable. The Company calculates the expected credit losses on trade receivables using a provision matrix on the basis of its historical credit loss experience.

(iii) Derecognition of financial assets

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. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises an associated liability.

On derecognition of a financial asset, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in the statement of profit and loss.

Financial liabilities and equity instruments:

(i) Classification of financial liabilities and equity instruments

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

Equity instruments

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

Financial liabilities

Financial liabilities are classified, at initial recognition:

- At fair value through profit or loss,
- Loans and borrowings,
- Payables or,
- As derivatives designated as hedging instruments in an effective hedge, if any

All financial liabilities are recognized initially at fair value and in the case of loans and borrowings and payables, they are recognized net of directly attributable transaction costs.

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

(ii) Subsequent measurement of financial liabilities

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

Financial liabilities at FVTPL:

Financial liabilities at FVTPL include financial liabilities designated upon initial recognition as FVTPL. This category includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Gains or losses on liabilities are recognised in the statement of profit and loss. Financial liabilities designated

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upon initial recognition at FVTPL are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied.

Loans and borrowings:
After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest rate (EIR) method. Gains and losses are recognised in the statement of profit and loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

The Company has changed the method of calculation of amortization of loan transaction expenses from cash flow basis to straight-line amortization over the tenure of the loan.

(iii) Derecognition of financial liabilities
The Company de-recognises 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 de-recognised and the consideration paid and payable is recognised in the statement of profit and loss.

k. Derivative financial instruments and hedge accounting
The Company uses derivative financial instruments, such as forward currency contracts and swaps to hedge its foreign currency risks. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Any gains or losses arising from changes in the fair value of derivatives are taken directly to profit or loss, except for the effective portion of cash flow hedges, which is recognised in OCI and later reclassified to profit or loss when the hedge item affects profit or loss or treated as basis adjustment if a hedged forecast transaction subsequently results in the recognition of a non-financial asset or non-financial liability.

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

- Fair value hedges when hedging the exposure to changes in the fair value of a recognised asset or liability or an unrecognised firm commitment

- Cash flow hedges when hedging the exposure to variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction or the foreign currency risk in an unrecognised firm commitment

At the inception of a hedge relationship, the Company formally designates and documents the hedge relationship to which the Company wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The documentation includes the Company's risk management objective and strategy for undertaking hedge, the hedging/ economic relationship, the hedged item or transaction, the nature of the risk being hedged, hedge ratio and how the entity will assess the effectiveness of changes in the hedging instrument's fair value in offsetting the exposure to changes in the hedged item's fair value or cash flows attributable to the hedged risk. Such hedges are expected to be highly effective in achieving offsetting changes in fair value or cash flows and are assessed on an ongoing basis to determine that they actually have been highly effective throughout the financial reporting periods for which they were designated.

Hedges that meet the strict criteria for hedge accounting are accounted for, as described below:
Fair value hedges

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The change in the fair value of a hedging instrument is recognised in the statement of profit and loss. The change in the fair value of the hedged item attributable to the risk hedged is recorded as part of the carrying value of the hedged item and is also recognised in the statement of profit and loss as finance costs. For fair value hedges relating to items carried at amortised cost, any adjustment to carrying value is amortised through profit or loss over the remaining term of the hedge.

If the hedged item is derecognised, the unamortised fair value is recognised immediately in profit or loss. When an unrecognised firm commitment is designated as a hedged item, the subsequent cumulative change in the fair value of the firm commitment attributable to the hedged risk is recognised as an asset or liability with a corresponding gain or loss recognised in profit and loss.

Cash flow hedges

The Company designates derivative contracts or non-derivative Financial Assets / Liabilities as hedging instruments to mitigate the risk of movement in interest rates and foreign exchange rates for foreign exchange exposure on highly probable future cash flows attributable to a recognised asset or liability or forecast cash transactions. When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in the fair value of the derivative is recognised in the cash flow hedging reserve being part of Other Comprehensive Income. Any ineffective portion of changes in the fair value of the derivative is recognised immediately in the Statement of Profit and Loss. If the hedging relationship no longer meets the criteria for hedge accounting, then hedge accounting is discontinued prospectively.

If the hedging instrument expires or is sold, terminated or exercised, the cumulative gain or loss on the hedging instrument recognised in cash flow hedging reserve till the period the hedge was effective remains in cash flow hedging reserve until the underlying transaction occurs. The cumulative gain or loss previously recognised in the cash flow hedging reserve is transferred to the Statement of Profit and Loss upon the occurrence of the underlying transaction. If the forecasted transaction is no longer expected to occur, then the amount accumulated in cash flow hedging reserve is reclassified in the Statement of Profit and Loss.

l. Intangible Assets

Intangible assets 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. 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 amortised, but are tested for impairment annually. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

An intangible asset is derecognized on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition 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 or loss when the asset is derecognised.

m. Government Grants

Government grants are recognised in the statement of profit and loss on a systematic basis over the periods in which the Company recognises as expenses of the related costs for which the grants are intended to compensate. Specifically, government grants whose primary condition is that the Company should purchase, construct or otherwise acquire non-current assets are recognised as

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deferred revenue in the balance sheet and transferred to statement of profit and loss on a systematic and rational basis over the useful lives of the related assets.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Company with no future related costs are recognised in statement of profit and loss in the period in which they become receivable.

n. Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value and are held for the purpose of meeting short-term cash commitments.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above.

o. Cash Flow Statement

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

p. Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss attributable to equity holder of Company (after deducting preference dividends and attributable taxes, if any) 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 of the Company and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

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3. Property, plant and equipment

A. Owned Assets (in Rs.)

Sr. No.	Particulars	Location	Gross block				Depreciation				Net block
			As at 1 April 2019	Additions	Disposals	At 31 March 2020	As at 1 April 2019	Charge for the year	Disposals	At 31 March 2020	At 31 March 2020
1	Plant and equipment	Ramadurg (22.3 MWp DC)	88,12,13,594	-	-	88,12,13,594	5,52,78,819	2,94,60,058	-	8,47,38,877	79,64,74,717
		Shirahatti (22.3 MWp DC)	90,85,60,876	-	-	90,85,60,876	5,66,88,609	3,03,87,531	-	8,70,76,140	82,14,84,736
		Mulbagal (22.3 MWp DC)	98,26,39,409	-	5,64,273	98,20,75,136	4,57,90,020	3,28,43,633	45,676	7,85,87,977	90,34,87,159
2	Building	Ramadurg (22.3 MWp DC)	2,07,80,896	-	-	2,07,80,896	12,49,681	6,96,502	-	19,46,183	1,88,34,713
		Shirahatti (22.3 MWp DC)	1,56,67,056	-	-	1,56,67,056	9,49,040	5,24,940	-	14,73,980	1,41,93,076
		Mulbagal (22.3 MWp DC)	4,70,73,654	18,31,891	-	4,89,05,545	10,20,056	16,19,864	-	26,39,920	4,62,65,625
3	Freehold land *	Ramadurg (22.3 MWp DC)	9,63,32,247	30,100	-	9,63,62,347	-	-	-	-	9,63,62,347
		Shirahatti (22.3 MWp DC)	9,32,15,503	20,83,240	-	9,52,98,743	-	-	-	-	9,52,98,743
		Mulbagal (22.3 MWp DC)	13,02,94,119	24,78,000	-	13,27,72,119	-	-	-	-	13,27,72,119
		Mulbagal	43,09,015	-	-	43,09,015	-	-	-	-	43,09,015
	Total		**3,18,00,86,369**	**64,23,231**	**5,64,273**	**3,18,59,45,327**	**16,09,76,225**	**9,55,32,528**	**45,676**	**25,64,63,077**	**2,92,94,82,250**

* The Company is in the process of getting 26 sale deeds registered in its name amounting to Rs. 15,62,84,268.

As at 31 March 2019 (in Rs.)

Sr. No.	Particulars	Location	Gross block				Depreciation				Net block
			As at 1 April 2018	Additions	Disposals	As at 31 March 2019	As at 1 April 2018	Charge for the year	Disposals	As at 31 March 2019	As at 31 March 2019
1	Plant and equipment	Ramadurg (22.3 MWp DC)	88,09,13,378	3,00,216	-	88,12,13,594	2,59,05,314	2,93,73,505	-	5,52,78,819	82,59,34,775
		Shirahatti (22.3 MWp DC)	90,74,97,764	10,63,112	-	90,85,60,876	2,64,06,024	3,02,82,585	-	5,66,88,609	85,18,72,267
		Mulbagal (22.3 MWp DC)	93,81,04,820	4,45,34,589	-	98,26,39,409	1,35,33,573	3,22,56,447	-	4,57,90,020	93,68,49,389
2	Building	Ramadurg (22.3 MWp DC)	2,05,35,896	2,45,000	-	2,07,80,896	5,58,139	6,91,542	-	12,49,681	1,95,31,215
		Shirahatti (22.3 MWp DC)	1,56,67,056	-	-	1,56,67,056	4,25,534	5,23,506	-	9,49,040	1,47,18,016
		Mulbagal (22.3 MWp DC)	2,32,58,308	2,38,15,346	-	4,70,73,654	96,119	9,23,937	-	10,20,056	4,60,53,598
3	Freehold land *	Ramadurg (22.3 MWp DC)	9,63,32,247	-	-	9,63,32,247	-	-	-	-	9,63,32,247
		Shirahatti (22.3 MWp DC)	9,22,63,868	9,51,635	-	9,32,15,503	-	-	-	-	9,32,15,503
		Mulbagal (22.3 MWp DC)	12,34,31,273	68,62,846	-	13,02,94,119	-	-	-	-	13,02,94,119
		Mulbagal	43,09,015	-	-	43,09,015	-	-	-	-	43,09,015
	Total		**3,10,23,13,625**	**7,77,72,744**	**-**	**3,18,00,86,369**	**6,69,24,703**	**9,40,51,522**	**-**	**16,09,76,225**	**3,01,91,10,144**

* The Company is in the process of getting 26 sale deeds registered in its name amounting to Rs. 15,62,84,268.

B. Right of Use Assets (in Rs.)

Description	Land
Cost	
Balance as on 1 April 2019 due to adoption of Ind AS 116	97,40,847
Additions during the year	-
Balance as at 31 March 2020	**97,40,847**
Accumulated amortisation	
Balance as on 1 April 2019 due to adoption of Ind AS 116	-
Depreciation expenses	3,47,887
Balance as at 31 March 2020	**3,47,887**
Net carrying amount	93,92,960
As at 31 March 2020	**93,92,960**
Grand Total (A+B)	**2,93,88,75,209**

Note : (a) Capital work in progress of Rs. 56,63,174 (31 March 2019: Rs. 24,79,180) pertains towards land for Mulbagal project (22.3 MWp DC).
(b) Capital work in progress of Rs. Nil (31 March 2019: Rs. 8,40,76,807) pertains to Mulbagal project.
(c) Property, plant and equipment has been hypothecated as security for borrowings by the Company (note 13).

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4. Non current tax assets (net) (in Rs.)

Particulars	As at 31 March 2020	As at 31 March 2019
Advance income tax and tax deducted at source [net of provision Rs. Nil (31 March 2019: Rs. Nil)]	92,88,843	77,76,481
Total	**92,88,843**	**77,76,481**

5. Other non current assets (in Rs.)

Particulars	As at 31 March 2020	As at 31 March 2019
Security deposit (unsecured, considered good)	9,36,025	7,86,025
Prepayments	4,06,896	-
Capital advances	3,62,57,085	5,63,22,150
Total	**3,76,00,006**	**5,71,08,175**

6. Trade receivables (in Rs.)

Particulars	As at 31 March 2020	As at 31 March 2019
Unsecured, considered good	11,75,16,902	15,73,97,588
Total	**11,75,16,902**	**15,73,97,588**

Break up for security details (in Rs.)

Particulars	As at 31 March 2020	As at 31 March 2019
Secured, considered good	-	-
Unsecured, considered good	11,75,16,902	15,73,97,588
Trade receivables which have significant increase in credit risk [note 30(C)(a)]	-	-
Trade receivables - credit impaired [note 30(C)(a)]	-	-
Total	**11,75,16,902**	**15,73,97,588**

No trade receivables are due from directors or other officers of the company either severally or jointly with any other person. No trade receivables are due from firms or private companies respectively in which any director is a partner, a director or a member.

Trade receivables are generally on terms as set out in the Power Purchase Agreements (PPAs).

7. Cash and cash equivalents (in Rs.)

Particulars	As at 31 March 2020	As at 31 March 2019
Balances with banks		
On current accounts	5,54,24,676	28,45,268
Deposits with original maturity of less than three months	3,20,00,000	5,40,00,000
Total	**8,74,24,676**	**5,68,45,268**

Short term deposits are made for varying periods between seven and ninety days, depending on the immediate cash requirements of the Company and earn interest at the respective short term deposit rates.

8. Bank balances other than cash and cash equivalents (in Rs.)

Particulars	As at 31 March 2020	As at 31 March 2019
Deposits with original maturity period of more than three months but less than twelve months	15,12,10,000	7,68,80,000
Total	**15,12,10,000**	**7,68,80,000**

9. Other financial assets (in Rs.)

Particulars	As at 31 March 2020	As at 31 March 2019
Derivative instrument designated as cashflow hedge	-	8,77,90,326
Accrued interest	5,63,294	15,53,990
Unbilled revenue	4,60,83,491	4,87,11,961
Receivables from related party (note 25)	4,18,900	11,52,093
Receivables for sale of transmission line	2,81,56,807	-
Total	**7,52,22,492**	**13,92,08,370**

For terms and conditions relating to related party receivables, refer note 25.

10. Other current assets (in Rs.)

Particulars	As at 31 March 2020	As at 31 March 2019
Prepayments	56,81,112	1,07,79,967
Balances with government authorities	1,200	1,200
Other advances	2,80,505	-
Total	**59,62,817**	**1,07,81,167**

ADITYA BIRLA SOLAR LIMITED

11. Equity share capital (in Rs.)

Particulars	As at 31 March 2020	As at 31 March 2019
Authorised share capital		
7,00,00,000 (31 March 2019: 7,00,00,000)equity shares of Rs. 10 each	70,00,00,000	70,00,00,000
	70,00,00,000	**70,00,00,000**
Issued equity capital		
6,65,85,354 (31 March 2019: 6,65,85,354) equity shares of Rs. 10 each issued, subscribed and fully paid	66,58,53,540	66,58,53,540
	66,58,53,540	**66,58,53,540**

(a) Reconciliation of number of shares outstanding (in nos.)

Particulars	As at 31 March 2020	As at 31 March 2019
Equity shares outstanding at the beginning of the year	6,65,85,354	6,05,32,140
Issued during the year	-	60,53,214
Number of shares outstanding at the end of the year	**6,65,85,354**	**6,65,85,354**

(b) Term/rights attached to equity shares

The Company has only one class of equity shares having a par value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of the equity shares held by the shareholders.

(c) Shares held by Holding Company:

Name of shareholder	As at 31 March 2020		As at 31 March 2019	
	Number of shares	Amount (in Rs.)	Number of shares	Amount (in Rs.)
Grasim Industries Limited and its nominees	6,65,85,354	66,58,53,540	6,65,85,354	66,58,53,540

(d) Details of shareholders holding more than 5% shares in the Company:

Name of shareholder	As at 31 March 2020		As at 31 March 2019	
	Number of shares	% holding	Number of shares	% holding
Grasim Industries Limited and its nominees	6,65,85,354	100%	6,65,85,354	100%

12. Other equity (in Rs.)

Particulars	As at 31 March 2020	As at 31 March 2019
Statement of profit and loss		
Opening balance	13,97,89,546	5,90,47,546
Additions during the year	(16,22,29,561)	8,07,42,000
Closing balance	**(2,24,40,015)**	**13,97,89,546**
Other comprehensive income [Net movement on cash flow hedges (net of tax)]		
Opening balance	(1,11,53,672)	(84,45,408)
Additions during the year	1,11,53,672	(27,08,264)
Closing balance	**-**	**(1,11,53,672)**
Securities premium		
Opening balance	15,13,304	-
Additions during the year	-	15,13,304
Closing balance	**15,13,304**	**15,13,304**
Total	**(2,09,26,711)**	**13,01,49,178**

Nature and purpose of reserve

Securities premium is credited when shares are issued at premium. It can be used for the purposes mentioned in section 52 of the Companies Act, 2013.

ADITYA BIRLA SOLAR LIMITED

13. Borrowings (in Rs.)

Particulars	As at 31 March 2020	As at 31 March 2019
Secured		
Term loan	1,90,24,98,475	-
Letter of credit discounted	49,80,48,339	1,19,58,39,772
Buyers' credit	-	1,52,58,11,515
	2,40,05,46,814	**2,72,16,51,287**
Less: Current maturity of long term debt shown under other financial liabilities (note 16)	7,28,00,000	18,40,69,070
Total non current borrowings	**2,32,77,46,814**	**2,53,75,82,217**
Unsecured		
Current		
Inter corporate loan (note 25)	13,00,00,000	-
Total current borrowings	**13,00,00,000**	-

Summary of borrowing arrangements

Particulars	Gross amount (Rs.)	Carrying value (Rs.)	Effective interest rate (%)	Repayment terms
Secured				
Rupee term loan				
Bank of Baroda	1,88,47,37,758	1,90,24,98,475	9.20%	The loan is repayable in structured quarterly instalments as per the loan agreements upto September 2034. The Company has opted for moratorium for repayment of principal falling due to the bank from March 2020 to May 2020 granted by Reserve Bank of India as a relief measure for COVID -19.
Letter of credit discounted				
Yes Bank	48,83,06,026	49,80,48,339	7.02% - 9%	The Company has refinanced the loan with Bank of Baroda for the residual tenor by signing an assignment cum amendment deed executed between the Company, Bank of Baroda and Yes Bank. The letter of credit on its maturity will be converted into a term loan with Bank of Baroda having the repayment terms as mentioned above. Hence the same has been reclassified under non current borrowings.The maturity of various letter of credit discounted is between June 2020 to April 2021.
Unsecured				
Inter corporate loan				
Grasim Industries Limited	13,00,00,000	13,00,00,000	9.35%	26th August 2020

Security
The above borrowing arrangements are secured as follows:

1) First charge on the assets of the projects, both present and future, located at Ramadurg, Shirahatti and Mulbagal.

2) Exclusive charge on respective project's current assets, all cash flows, receivables, commissions, revenues of whatsoever nature and wherever arising, present and future, uncalled capital, present and future.

3) Exclusive charge on respective collection account, debt service reserve account and other reserves and any other bank accounts of the borrower except dividend distribution account.

Loan covenants
Bank loan contains certain debt covenants relating to debt-equity ratio, debt service coverage ratio, total outstanding liability to net worth ratio and fixed asset coverage ratio. These covenants are to be tested at the end of the financial year immediately succeeding the financial year after the commercial operation date occurs and every financial year thereafter, based on the audited financial statements of the previous financial year as per the loan agreements. The Company has not defaulted on any loans repayable during the year.

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14 Deferred tax liabilities (net) (in Rs.)

Particulars	As at 31 March 2019	Charge for the year		At 31 March 2020
		Profit and loss	Other Comprehensive Income	
Deferred tax assets				
Preliminary expenses	(11,87,157)	5,03,129	-	(6,84,028)
Share issue expenses	(1,05,762)	1,05,762	-	-
Business losses and unabsorbed depreciation (note a)	(49,07,20,783)	18,69,39,155	-	(30,37,81,628)
	(49,20,13,702)	**18,75,48,046**	-	**(30,44,65,656)**
Deferred tax liabilities				
Borrowings (note b)	(1,11,01,991)	1,11,01,991	-	-
Accelerated depreciation for tax purpose	54,49,08,653	(2,05,03,618)	-	52,44,05,035
	53,38,06,662	**(94,01,627)**	-	**52,44,05,035**
Net movement on cash flow hedge	(45,82,321)	-	45,82,321	-
MAT credit entitlement (note a)	(3,99,20,418)	3,99,20,418	-	-
Deferred tax liabilities/(assets)	**(27,09,779)**	**21,80,66,837**	**45,82,321**	**21,99,39,379**

Notes:

a) Recognized on business losses which will be available to offset future taxable income of the Company. The Company has reversed deferred tax asset created on business loss due to additional depreciation and MAT credit entitlement amounting to Rs. 13,94,65,598 and Rs. 3,99,20,418 respectively as the Company has opted for concessional tax rate as introduced by The Taxation Amendment Act (2019).

b) Reversal of deferred tax liability earlier created on borrowings due to difference in actual interest and effective interest.

Reconciliation of effective tax rate

The income tax expenses for the year can be reconciled to the accounting profit as follows: (in Rs.)

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Profit before tax as per the statement of profit and loss	5,58,37,276	10,13,43,772
Statutory tax rate applicable	25.17%	29.12%
Computed tax expense	**1,40,54,242**	**2,95,11,306**
Tax effect of:		
Non deductible expenses	2,03,90,906	18,068
Loss of earlier year recognised in current year	2,32,762	4,16,294
Impact of adoption of new tax regime and change in tax rates	17,21,90,837	12,05,596
Loan transaction expenses on borrowings	1,11,01,991	(1,03,52,183)
Others	96,098	(1,97,310)
Total	**20,40,12,594**	**(89,09,534)**
Tax expense recognised in the statement of profit and loss	**21,80,66,837**	**2,06,01,772**
Effective tax rate	**390.54%**	**20.33%**

15. Trade payables (in Rs.)

Particulars	As at 31 March 2020	As at 31 March 2019
Total outstanding dues of micro and small enterprises (note 27)	1,82,520	4,92,176
Total outstanding dues of creditors other than micro and small enterprises {including related party dues (note 25)}	35,85,850	47,29,308
Total	**37,68,370**	**52,21,484**

Terms and conditions of trade payables:

Trade payables are non interest bearing and credit period varies as per the terms of the contract/work order/purchase order executed with each vendor.

16. Other financial liabilities (in Rs.)

Particulars	As at 31 March 2020	As at 31 March 2019
Interest accrued but not due on borrowings	1,50,14,205	8,20,23,209
Liability for capital expenditure	12,48,467	17,29,785
Current maturity of long term debt (note 13)	7,28,00,000	18,40,69,070
Provision for expenses	39,40,249	73,27,089
Other payables {including related party dues (note 25)}	45,69,291	-
Total	**9,75,72,212**	**27,51,49,153**

17. Other current liabilities (in Rs.)

Particulars	As at 31 March 2020	As at 31 March 2019
Statutory liabilities		
Tax deducted at source	4,02,233	3,44,625
Goods and service tax payable	44,08,282	72,762
Total	**48,10,515**	**4,17,387**

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18. Revenue from operations (in Rs.)

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Solar power generation		
Ramadurg (22.3 MWp DC)	16,64,92,062	17,54,44,002
Shirahatti (22.3 MWp DC)	16,64,60,083	17,38,93,464
Mulbagal (22.3 MWp DC)	14,27,52,130	13,35,05,978
Other operating income		
Scrap sale	25,000	-
Income from verified carbon standard (VCS) scheme credits	15,80,253	-
Total	**47,73,09,528**	**48,28,43,444**

The Company has two major customers namely, Bangalore Electricity Supply Company Limited for its Mulbagal (22.3 MWp DC) plant and Hubali Electricity Supply Company Limited for Ramadurg (22.3 MWp DC) and Shirahatti (22.3 MWp DC) solar power projects. The Company has entered into PPAs with customers for supply of solar power.

The Company operates only in one reportable segment i.e. 'generation and distribution of solar power energy'. The entire revenue from operations pertains to solar power generation. Hence the Company has not further disaggregated operating revenues.

(in Rs.)

Contract balances	As at 31 March 2020	As at 31 March 2019
Contract assets	-	-
Contract liabilities	-	-
Receivables		
Trade receivables (note 6)	11,75,16,902	15,73,97,588
Unbilled revenue (note 9)	4,60,83,491	4,87,11,961
Total	**16,36,00,393**	**20,61,09,549**

Performance obligation is satisfied on the supply of power and payment due is as per the terms of the PPAs.

Transaction Price - Remaining Performance Obligation

The remaining performance obligation disclosure provides the aggregate amount of the transaction price yet to be recognised as at the end of the reporting period and an explanation as to when the Company expects to recognise these amounts in revenue. Applying the practical expedient as given in Ind AS 115, the Company recognises revenue for the amount it has the right to invoice (i.e., on an as-invoiced basis) since the amount corresponds to the value it transfers to the customer. Hence, the Company has not disclosed the remaining performance obligation related disclosures for contracts as the revenue recognised corresponds directly with the value to the customer of the entity's performance completed to date.

19. Other income (in Rs.)

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Interest income	75,69,700	44,09,658
Income from liquidated damages	-	20,14,235
Profit on sale of fixed asset	56,427	-
Interest income on income tax refund	4,45,130	-
Total	**80,71,257**	**64,23,893**

20. Operation and maintenance expenses (in Rs.)

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Operation and maintenance expenses	2,45,20,364	2,42,92,012
Supervision charges	12,22,019	11,23,274
Total	**2,57,42,383**	**2,54,15,286**

21. Finance costs (in Rs.)

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Interest cost on borrowings	20,76,78,372	23,84,62,873
Interest on late payment of tax deducted at source	-	26
Bank charges	24,754	38,299
Total	**20,77,03,126**	**23,85,01,198**

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22. Other expenses (in Rs.)

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Material shifting charges	-	21,83,378
Rental expenses	46,65,809	3,47,887
Insurance expenses	20,45,133	17,75,476
Expense on sale of transmission line	61,91,507	-
Impairment loss on transmission line	5,59,19,999	-
Damages for delay as per power purchase agreement	-	1,55,76,900
Deputation charges (note 25)	41,46,102	32,70,609
Repairs and maintenance	10,01,340	1,68,532
Statutory license fees	15,19,994	9,15,136
CEIG fees	-	2,97,600
Rates and taxes	17,140	20,364
Security charges	-	7,41,639
Legal and professional fees	25,76,920	21,70,101
Payment to statutory auditors (refer details below)	23,56,578	7,75,675
Managerial remuneration (note 25)	3	6
Provision against capital advances	1,76,96,665	-
CSR expenditure	12,11,000	8,05,000
Stamp duty on issue of shares	-	62,047
Miscellaneous expenses	9,15,070	8,45,209
Total	**10,02,63,260**	**2,99,55,559**

(in Rs.)

Payment to statutory auditors	For the year ended 31 March 2020	For the year ended 31 March 2019
Audit fees	20,62,463	5,99,250
Tax audit fees	1,59,890	88,500
Certification	41,300	35,000
Reimbursement of expenses	92,925	52,925
Total	**23,56,578**	**7,75,675**

(in Rs.)

Details of CSR expenditure	For the year ended 31 March 2020	For the year ended 31 March 2019
(a) Gross amount required to be spent by the Company for the year	12,10,550	8,02,387

	In cash	Yet to be paid in cash	Total
(b) Amount spent during the year ended on 31 March 2020			
(i) Construction/acquisition of any asset	12,11,000	-	12,11,000
(ii) On purposes other than (i) above - donation to AWOO Foundation	-	-	-
(c) Amount spent during the year ended on 31 March 2019			
(i) Construction/acquisition of any asset	-	-	-
(ii) On purposes other than (i) above - donation to AWOO Foundation	8,05,000	-	8,05,000

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23. Earning per share (EPS)

Basic EPS amounts are calculated by dividing the profit/(loss) for the period attributable to equity holders by the weighted average number of equity shares outstanding during the period.

Diluted EPS amounts are calculated by dividing the profit/(loss) attributable to equity holders by the weighted average number of equity shares outstanding during the period plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares.

The following reflects the income and share data used in the basic and diluted EPS computations:

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Profit/(loss) attributable to equity holders (in Rs.)	(16,22,29,561)	8,07,42,000
Weighted average number of equity shares for basic and diluted EPS	6,65,85,354	6,18,55,247
Basic and diluted earnings per share (in Rs.)	**(2.44)**	**1.31**

24. 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 years.

Other disclosures relating to the Company`s exposure to risks and uncertainties includes:
- Financial risk management objectives and policies (note 30)
- Capital management (note 30)

a) Judgements

In the process of applying the Company's accounting policies, the management has made the following judgement, which has the most significant effect on the amounts recognised in the financial statements.

i) Ind AS 115 - Revenue from contract with customers

The management has considered all the relevant facts and circumstances when applying each step of the model to contracts with the customer in accordance with Ind AS 115, which may have the most significant effect on the amounts recognised in the financial statements. The Company recognises revenue for the amount it has the right to invoice (i.e., on an as-invoiced basis) as the amount corresponds to the value it transfers to the customer.

ii) Ind AS 116 - Leases

Effective 01 April 2019, the Company has adopted Ind AS 116, 'Leases'. Ind AS 116 introduces a single lessee accounting model and requires a lessee to recognise Right-of-use assets and lease liabilities for all leases with a term of more than twelve months, unless the underlying asset is of a low value. A contract is, or contains, a lease if the contract conveys the right to control the use of an specified asset for a period of time in exchange for consideration. The Company's property, plant and equipment is the specified asset for the evaluation of this standard (note 32).

The Company has evaluated the Power Purchase Agreements (PPAs) entered into with its customer for lease arrangements under Ind AS 116 'Leases'. The Company has concluded that the arrangement is not in the nature of lease as the customer does not have the right to direct the use of the specified asset and entire control of the asset is with the Company.

b) Estimates and assumptions

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

i) Taxes

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant 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.

ii) Change in method of amortisation of loan transaction expenses

The Company has changed the method of calculation of amortisation of loan transaction expenses from cash flow basis to straight-line amortisation over the tenure of the loan. If the Company had not changed the method of calculation for amortisation of loan transaction expenses, the finance cost would have been higher by Rs. 2,43,85,022 and consequently, profit before tax would have been lower by the same amount.

There will be no future impact due to change in method as the loan transaction expenses will be amortised over the tenure of the loan.

iii) Useful lives of property, plant and equipment

The Company, based on technical assessment made by management estimate, depreciates plant and equipment and building over estimated useful lives, which are different from the useful life prescribed in Schedule II to the Companies Act, 2013. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

iv) Recognition and measurement of provisions and contingencies

Key assumptions about the likelihood and magnitude of an outflow of resources.

ADITYA BIRLA SOLAR LIMITED

Aditya Birla Solar Limited
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Notes to Financial Statements for the year ended 31 March 2020

25. Related party transactions

Name of related parties and description of relationship with whom transactions have taken place during the year ended 31 March 2020

(A) Holding Company
Grasim Industries Limited (50.10% upto 14 May 2018 ; 99.10% w.e.f 15 May 2018 upto 30 March 2019; 100% from 31 March 2019 onwards)
AEIF Mauritius SPV 2 Limited (49% - upto 14 May 2018)

(B) Fellow Subsidiary
Aditya Birla Renewables Limited

(C) Key managerial personnel
Ravinder Khanna, resigned as Managing Director and continued to act as Director (w.e.f. 21 September 2018)
Devajyoti Bhattacharya, Director and appointed as Managing Director (w.e.f. 04 February 2019)
Pinky Atul Mehta, Director
Sivendran Vettivetpillai, Director (upto 15 May 2018) #
Pawan Kumar Jain, Chief Financial Officer (upto 21 September 2018)
Akhil Mundra, Chief Financial Officer (resigned w.e.f 30 October 2019)
Ranjita Deo, Chief Financial Officer (w.e.f. 08 November 2019)
Foreign National

(D) Other related party in which directors of Holding Company are interested
Aditya Birla Management Corporation Private Limited (w.e.f. 01 January 2019)

(E) Fellow Subsidiary
Aditya Birla Renewables Limited

(F) Subsidiary of Fellow Subsidiary
Aditya Birla Renewables SPV 1 Limited
Aditya Birla Renewables Subsidiary Limited

(G) Other related party in which director has significant influence
Palace Solar Energy Private Limited

Details of transactions with related parties (in Rs.)

Sr. No.	Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
1	**Allotment of equity shares including securities premium**		
	Grasim Industries Limited	-	6,14,87,034
2	**Purchases under supply and service contracts capitalised under property, plant and equipment**		
	Grasim Industries Limited	-	5,36,87,349
3	**Inter corporate loan taken**		
	Grasim Industries Limited	13,00,00,000	14,65,00,000
	Interest charged to statement of profit and loss	10,98,945	43,33,611
		13,10,98,945	**15,08,33,611**
4	**Inter corporate loan repaid**		
	Grasim Industries Limited	-	14,65,00,000
	Interest	-	43,33,611
		-	**15,08,33,611**
5	**Inter Corporate Loan given**		
	Aditya Birla Renewables Limited	1,00,00,000	-
6	**Repayment against loan given**		
	Aditya Birla Renewables Limited		
	Principal	1,00,00,000	-
	Interest booked in statement of profit and loss	86,164	-
		1,00,86,164	-
7	**Supervision and monitoring of operation and maintenance services charged to statement of profit and loss**		
	Grasim Industries Limited	12,22,019	11,23,274
8	**Key managerial remuneration**		
	Ravinder Khanna	-	2
	Devajyoti Bhattacharya	1	1
	Pawan Kumar Jain	-	2
	Ranjita Deo	1	-
	Akhil Mundra	1	1
9	**Sale of capital equipment**		
	Aditya Birla Renewables SPV 1 Limited	1,67,560	-
	Aditya Birla Renewables Subsidiary Limited	83,780	-
	Aditya Birla Renewables Limited	2,60,426	-
	Palace Solar Energy Private Limited	1,67,560	-
10	**Reimbursement of rental expenses**		
	Aditya Birla Management Corporation Limited	33,86,857	-
11	**Reimbursement of deputation charges**		
	Aditya Birla Management Corporation Limited	-	32,70,609
	Aditya Birla Renewables Limited	41,46,103	-

Details of closing balances of related parties (in Rs.)

Sr. No.	Particulars	As at 31 March 2020	As at 31 March 2019
1	**Share capital including securities premium**		
	Grasim Industries Limited	66,73,66,344	66,73,66,344
2	**Inter corporate loan**		
	Grasim Industries Limited (including interest, net of TDS)	13,09,89,051	-
3	**Purchases under supply and service contracts**		
	Grasim Industries Limited (receivable)	-	11,52,093
4	**Supervision and monitoring of operation and maintenance services**		
	Grasim Industries Limited	2,81,440	-
5	**Sale of capital equipment**		
	Aditya Birla Renewables SPV 1 Limited	1,67,560	-
	Aditya Birla Renewables Subsidiary Limited	83,780	-
	Palace Solar Energy Private Limited	1,67,560	
6	**Reimbursement of deputation charges**		
	Aditya Birla Renewables Limited	38,63,173	-
	Aditya Birla Management Corporation Limited	-	17,33,367

Note: Related party relationships as per Indian Accounting Standard (Ind AS 24) have been identified by the management and relied upon by the auditors.

The transactions with related parties are in the ordinary course of business and are on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the period-end are unsecured and settlement occurs in cash. For the year ended 31 March 2020 and 31 March 2019, the Company has not recorded any impairment of receivables relating to amounts owed by related parties. This assessment is undertaken each financial year through examining the financial position of the related parties and the market in which the related parties operate.

ADITYA BIRLA SOLAR LIMITED

26. Segment information

For management purpose, the Company is engaged into one reportable business segment i.e. 'generation and distribution of solar power energy'. No other operating segment has been aggregated to form the above reportable operating segment. The Company's revenue, result, assets and liabilities are reported to the management for the purpose of resource allocation and assessment of segment performance.

27. Details of micro enterprises and small enterprises as defined under the Micro, Small and Medium Enterprises Development (MSMED) Act, 2006

(in Rs.)

Particulars	As at 31 March 2020	As at 31 March 2019
Principal amount due to micro enterprises and small enterprises	1,82,520	4,92,176
Interest due on above	-	-
Amount of interest paid during the year	-	-
The amount of interest due and payable for the year of delay in making payment but without adding the interest specified under the MSMED Act 2006	-	-
Amount of interest accrued and remaining unpaid at the end of accounting year	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act 2006	-	-

The information has been given in respect of such vendors to the extent they would be identified as "Micro Enterprises and Small Enterprises" on the basis of information available with the Company and relied upon by the auditors.

28. Categories of financial instruments

(in Rs.)

Particulars	Carrying value		Fair value	
	As at 31 March 2020	As at 31 March 2019	As at 31 March 2020	As at 31 March 2019
Financial assets				
Measured at amortised cost				
Trade receivables (note 6)	11,75,16,902	15,73,97,588	11,75,16,902	15,73,97,588
Cash and cash equivalents (note 7)	8,74,24,676	5,68,45,268	8,74,24,676	5,68,45,268
Bank balances other than cash and cash equivalents (note 8)	15,12,10,000	7,68,80,000	15,12,10,000	7,68,80,000
Other financial assets (note 9)	7,52,22,492	13,92,08,370	7,52,22,492	13,92,08,370
Financial liabilities				
Measured at amortised cost				
Borrowings (note 13)	2,45,77,46,814	2,53,75,82,217	2,45,77,46,814	2,53,75,82,217
Trade payables (note 15)	37,68,370	52,21,484	37,68,370	52,21,484
Other financial liabilities (note 16)	9,75,72,212	27,51,49,153	9,75,72,212	27,51,49,153

The Company has assessed that trade receivables, cash and cash equivalents, bank balance, other financial assets, trade payables and other financial liabilities approximate their carrying amounts largely due to the short term nature of the instruments. Long term borrowings are evaluated based on parameters such as interest rate and risk characteristic of financial project. Based on the evaluation, no impact has been identified.

29. Financial instruments - fair value measurements

Some of the Company's financial assets and financial liabilities are measured at fair value at the end of each reporting period. The following table gives information about how the fair values of these financial assets and financial liabilities are determined (in particular the valuation techniques and inputs used).

Fair value hierarchy

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

Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

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

(in Rs.)

Particulars	Level	As at 31 March 2020	As at 31 March 2019
Derivative asset at fair value through OCI	Level 2	-	8,77,90,326
Key inputs for Level 2 fair valuation technique	Discounted cash flow. Future cash flows are estimated based on forward exchange rates(from observable forward exchange rates at the end of the reporting period) and contract forward rates, discounted at a rate that reflects the credit risk of various counterparties.		
Significant unobservable input	Not Applicable		
Relationship of unobservable input to fair	Not Applicable		

ADITYA BIRLA SOLAR LIMITED

26. Segment information

For management purpose, the Company is engaged into one reportable business segment i.e. 'generation and distribution of solar power energy'. No other operating segment has been aggregated to form the above reportable operating segment. The Company's revenue, result, assets and liabilities are reported to the management for the purpose of resource allocation and assessment of segment performance.

27. Details of micro enterprises and small enterprises as defined under the Micro, Small and Medium Enterprises Development (MSMED) Act, 2006

(in Rs.)

Particulars	As at 31 March 2020	As at 31 March 2019
Principal amount due to micro enterprises and small enterprises	1,82,520	4,92,176
Interest due on above	-	-
Amount of interest paid during the year	-	-
The amount of interest due and payable for the year of delay in making payment but without adding the interest specified under the MSMED Act 2006	-	-
Amount of interest accrued and remaining unpaid at the end of accounting year	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act 2006	-	-

The information has been given in respect of such vendors to the extent they would be identified as "Micro Enterprises and Small Enterprises" on the basis of information available with the Company and relied upon by the auditors.

28. Categories of financial instruments (in Rs.)

Particulars	Carrying value		Fair value	
	As at 31 March 2020	As at 31 March 2019	As at 31 March 2020	As at 31 March 2019
Financial assets				
Measured at amortised cost (amortised cost approximates carrying value)				
Trade receivables (note 6)	11,75,16,902	15,73,97,588	11,75,16,902	15,73,97,588
Cash and cash equivalents (note 7)	8,74,24,676	5,68,45,268	8,74,24,676	5,68,45,268
Bank balances other than cash and cash equivalents (note 8)	15,12,10,000	7,68,80,000	15,12,10,000	7,68,80,000
Other financial assets (note 9)	7,52,22,492	13,92,08,370	7,52,22,492	13,92,08,370
Financial liabilities				
Measured at amortised cost (amortised cost approximates carrying value)				
Borrowings (note 13)	2,45,77,46,814	2,53,75,82,217	2,45,77,46,814	2,53,75,82,217
Trade payables (note 15)	37,68,370	52,21,484	37,68,370	52,21,484
Other financial liabilities (note 16)	9,75,72,212	27,51,49,153	9,75,72,212	27,51,49,153

The Company has assessed that trade receivables, cash and cash equivalents, bank balance, other financial assets, trade payables and other financial liabilities approximate their carrying amounts largely due to the short term nature of the instruments. Long term borrowings are evaluated based on parameters such as interest rate and risk characteristic of financial project. Based on the evaluation, no impact has been identified.

29. Financial instruments - fair value measurements

Some of the Company's financial assets and financial liabilities are measured at fair value at the end of each reporting period. The following table gives information about how the fair values of these financial assets and financial liabilities are determined (in particular the valuation techniques and inputs used).

Fair value hierarchy

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

Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

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

(in Rs.)

Particulars	Level	As at 31 March 2020	As at 31 March 2019
Derivative asset at fair value through OCI	Level 2	-	8,77,90,326
Key inputs for Level 2 fair valuation technique	Discounted cash flow. Future cash flows are estimated based on forward exchange rates(from observable forward exchange rates at the end of the reporting period) and contract forward rates, discounted at a rate that reflects the credit risk of various counterparties.		
Significant unobservable input	Not Applicable		
Relationship of unobservable input to fair	Not Applicable		

ADITYA BIRLA SOLAR LIMITED

30. Financial risk management objectives and policies

(A) Market risk

The Company's principal financial liabilities, other than derivatives, comprise of borrowings, trade payables and other financial liabilities. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets, other than derivatives, include trade receivables, other financial assets, cash and cash equivalents and bank balances other than cash and cash equivalents that arise directly from its operations.

The Company's activities expose it to market risk, liquidity risk and credit risk.

Market risk is the risk of loss of future earnings, fair values or future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in the interest rates, foreign currency exchange rates, and other market changes that affect market risk sensitive instruments. Market risk is attributable to all market risk sensitive financial instruments, including investments and deposits, payables and borrowings.

The Company's overall risk management focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Company. The Company uses derivative financial instruments, such as foreign exchange forward contracts to hedge foreign currency risk exposure.

The sources of risks which the Company is exposed to and their management is given below:

Risk	Exposure arising from	Measurement	Management
Market risk			
a) Foreign exchange risk	Committed commercial transactions, financial assets and liabilities not denominated in Rs.	Cash flow forecasting, sensitivity analysis	Forward foreign exchange contracts
b) Interest rate risk	Long term borrowings at variable rates	Sensitivity analysis, interest rate movements	Interest rate swaps and loan takeover for long term borrowings diversification
Credit risk	Trade receivables, derivative financial instruments	Ageing analysis, credit rating	Credit monitoring, credit limit and credit worthiness monitoring of the counter parties
Liquidity risk	Borrowings and other financial liabilities	Rolling cash flow forecasts	Borrowing facilities diversification

Details relating to the risks are provided here below:

(i) Foreign currency risk

Foreign exchange risk is the risk of impact related to fair value or future cash flows of an exposure in foreign currency, which fluctuate due to changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates to import of modules, wherever required.

The Company regularly evaluates exchange rate exposure arising from foreign currency transactions. The Company follows the established risk management policies. It uses derivative instruments like forward covers/swap to hedge exposure to foreign currency risk.

When a derivative is entered into for the purpose of hedge, the Company negotiates the terms of those derivatives to match the terms of the foreign currency exposure.

The carrying amount of the Company's foreign currency denominated monetary liabilities at the end of the reporting year are as follows:

Outstanding foreign currency exposure	As at 31 March 2020		As at 31 March 2019	
	in USD	in Rs.	in USD	in Rs.
Buyers credit	-	-	2,16,52,337	1,49,77,20,293

The Company had taken a derivative instrument (USD to Rs. swap) to hedge the above buyers' credit and variable interest rates. Nominal value of such derivative instrument amounts to Rs. Nil [(31 March 2019: USD 2,16,52,337 (Rs. 1,39,41,93,979)]. The carrying value of the hedging instrument is Rs. Nil (31 March 2019: Rs. 8,77,90,326) and is being disclosed as other financial assets.

Foreign currency sensitivity analysis

5% increase in foreign exchange rates will decrease profit before tax and pre tax equity by Rs. Nil (31 March 2019: Rs. 7,48,86,015). If the rate is decreased by 5%, the profit before tax and pre-tax equity will increase by an equal amount.

(B) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in prevailing market interest rates. The Company's exposure to the risk due to changes in interest rates relates primarily to the Company's borrowings with floating interest rates. The Company constantly monitors the credit markets and revisits its financing strategies to achieve an optimal maturity profile and financing cost.

Interest rate sensitivity analysis

1% increase in interest rates will decrease profit before tax and pre tax equity by Rs. 2,50,30,438 (31 March 2019: Rs. 2,72,16,513) If the rate is decreased by 1%, the profit before tax and pre-tax equity will increase by an equal amount.

(C) Credit risk

Credit risk arises when a customer or counterparty does not meet its obligations under a customer contract or financial instrument, leading to a financial loss. The Company is exposed to credit risk from its operating activities primarily trade receivables and from its financing/investing activities, including deposits with banks and foreign exchange transactions.

The carrying amount of financial assets represents the maximum credit risk exposure.

a. Trade receivables

The Company has already evaluated the credit worthiness of the parties and did not find any credit risk related to trade receivables. As per simplified approach, the Company makes provision of expected credit losses on trade receivables using a provision matrix to mitigate the risk of default in payments and makes appropriate provision at each reporting date wherever outstanding is for longer period and involves higher risk.

Total trade receivables as on 31 March 2020 is Rs. 11,75,16,902 (31 March 2019: Rs. 15,73,97,588).

ADITYA BIRLA SOLAR LIMITED

b. Cash and cash equivalents, bank deposits and derivative instruments

Credit Risk on cash and cash equivalents, deposits, derivative instruments is generally low as the Company has transacted with reputed banks.

(D) Liquidity risk

Liquidity risk is defined as the risk that the Company will not be able to settle or meet its obligations on time or at reasonable price. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of credit facilities to meet obligations when due. The management is responsible for managing liquidity, funding as well as settlement. Further, management monitors the Company's liquidity position through rolling forecasts on the basis of expected cash flows.

The table below provides details of financial liabilities further, based on contractual undiscounted payments. **(in Rs.)**

As at 31 March 2020	Upto 1 year	1 to 3 years	3 to 5 years	Above 5 years	Total
Trade payables	37,68,370	-	-	-	37,68,370
Borrowings	13,00,00,000	35,49,00,000	31,07,00,000	1,63,46,43,784	2,43,02,43,784
Other financial liabilities	9,75,72,212	-	-	-	9,75,72,212
Total	**23,13,40,582**	**35,49,00,000**	**31,07,00,000**	**1,63,46,43,784**	**2,53,15,84,366**

(in Rs.)

As at 31 March 2019	Upto 1 year	1 to 3 years	3 to 5 years	Above 5 years	Total
Trade payables	52,21,484	-	-	-	52,21,484
Borrowings	-	32,16,10,930	29,74,70,369	1,91,85,00,918	2,53,75,82,217
Other financial liabilities	27,51,49,153	-	-	-	27,51,49,153
Total	**28,03,70,637**	**32,16,10,930**	**29,74,70,369**	**1,91,85,00,918**	**2,81,79,52,854**

(E) Capital management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide maximum returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

For the purposes of the Company's capital management, capital includes issued capital, securities premium, and all other equity reserves attributable to the equity holders.

The Company monitors capital using a debt to equity ratio, which is net debt divided by total equity. The Company includes within net debt, interest bearing loan and borrowings, less cash and cash equivalents.

(in Rs.)

Particulars	As at 31 March 2020	As at 31 March 2019
Borrowings (note 13)	2,53,05,46,814	2,72,16,51,287
Less: Cash and cash equivalents (note 7)	8,74,24,676	5,68,45,268
Net debt	**2,44,31,22,138**	**2,66,48,06,019**
Equity (note 11 & note 12)	64,49,26,829	79,60,02,718
Debt to equity ratio	3.79	3.35

In addition, the Company has financial covenants relating to the borrowing facilities has taken from the lenders like debt-equity ratio, debt service coverage ratio, total outstanding liability to net worth ratio and fixed asset coverage ratio which are required to be maintained by the Company as per the terms and considerations of the loan agreement.

31. Cash flow hedge

The Company's business objective includes safe-guarding its foreign exchange borrowings against adverse foreign exchange movements. The Company has adopted a structured risk management policy to hedge all these risks within an acceptable risk limit and an approved hedge accounting framework which allows for fair value and cash flow hedges. Hedging instruments include forward contracts, swaps and other instruments to achieve this objective. During the year ended 31 March 2020, the buyer's credit (31 March 2019 : USD 2,16,52,337 {Rs. 1,39,41,93,979}) availed by the Company was due for repayment and consequently the derivative instrument taken by the Company to hedge the foreign exchange rate and interest rate risk expired. The Company has therefore, reversed the cumulative loss recognised in OCI as there was no realised gain/loss on such derivative instrument.

ADITYA BIRLA SOLAR LIMITED

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Notes to Financial Statements for the year ended 31 March 2020

32. Leases

The Company has applied Ind AS 116 'Leases' using modified retrospective approach under which the cumulative effect of initial application is recognised as at 01 April 2019. On adoption of Ind AS 116, the Company recognised 'Right-of-use' assets amounting to Rs. 97,40,847. If the Company had continued to apply the previous accounting standard, following would have been the impact on current year financials.

Reconciliation for the above effect on statement of profit and loss for the year ended 31 March 2020 as follows:

(in Rs.)

Adjustment to increase / (decrease) in net profit	Year ended 31 March 2020 comparable basis	Change due to IND AS 116 increase / (decrease)	Year ended 31 March 2020 as reported
Other expenses	3,47,887	(3,47,887)	-
Depreciation expenses	-	3,47,887	3,47,887
Profit before tax	5,58,37,276	-	5,58,37,276

33. Capital commitments

(in Rs.)

Particulars	As at 31 March 2020	As at 31 March 2019
Estimated amount to be paid for contracts executed on capital account and not provided for (net of advances)	14,55,825	8,05,800
Total	**14,55,825**	**8,05,800**

34. There are no contingent liabilities as at 31 March 2020 (31 March 2019 : Nil).

35. The Company has computed the tax expense for the current financial year as per the tax regime announced under Section 115BAA of the Income Tax Act,1961. Accordingly (a) the provision for current and deferred tax has been determined at the rate of 25.17% and (b) the deferred tax assets and deferred tax liabilities as on 01 April 2019 have been restated at the rate of 25.17%. As a result the tax expense for the year ended 31 March 2020 is higher by Rs 17,93,86,017 due to reversal of MAT credit and non allow-ability of additional depreciation claimed in earlier years.

36. The Board of Directors in its meeting held on 26 November 2019 have approved the merger of the Company with Aditya Birla Renewables Limited (ABReL), a wholly owned subsidiary of Grasim Industries Limited as per section 230 read with section 232 of the Companies Act 2013. In this regard, the scheme of amalgamation was filed before the National Company Law Tribunal on 27 March 2020. On merger, the shareholders of the Company will be issued shares of ABReL. The appointed date of the Scheme is 01 April 2019, however, it will take effect upon receipt of requisite approvals and fulfilment of conditions stated in the Scheme. Pending the scheme coming into force, no effect of the same has been considered in current year's financial statements.

37. Due to the outbreak of COVID-19 globally and in India, the Company has made an assessment of the likely adverse impact on economic environment in general and financial risks on account of COVID-19. The Company is in the business of generation and supply of solar power to its customers. The demand by its customers has not been affected due to COVID-19 since electricity generation falls under essential service and it has been operating as per the directives from the Government of India. The availability of power plant to generate electricity as per the demand of the customer is important and this business has been emphasized as an essential service by the Ministry of Power, Government of India. Hence, the Company has ensured not only the availability of its power plants to generate power but has also continued to supply power during the period of lockdown as per the requirement from its customer.

Further, the Reserve Bank of India has granted relief to borrowers by way of moratorium of interest and principal instalments falling due to banks and financial institution till May 2020 and the Company has availed such moratorium relief for principal repayment as allowed by one of the lenders. This will largely mitigate the stress on cash flows, if any, during the period of COVID-19. On long term basis also, the Company does not anticipate any major challenge in meeting its financial obligations. Basis above, the management has estimated its future cash flows for the Company which indicates no major change in the financial performance as estimated prior to COVID-19 impact and hence, the Company believes that there is no impact on its ability to continue as a going concern and meeting its liabilities as and when they fall due.

Management believes that it has taken into account all the possible impact of known events arising from COVID-19 pandemic in the preparation of the financial statements. However, the impact assessment of COVID-19 is a continuing process given the uncertainties associated with its nature and duration. The Company will continue to monitor any material changes to future economic conditions.

38. Previous year's figures have been regrouped/reclassified wherever necessary, to conform to current year's classification.

For S R B C & CO LLP
Chartered Accountants
ICAI Firm Registration No.: 324982E/E300003

per Vijay Maniar
Partner
Membership No.: 36738
Place: Mumbai
Date: 1 June 2020

For and on behalf of the Board of Directors of
Aditya Birla Solar Limited

Devajyoti N Bhattacharya
Managing Director
DIN: 00868751

Ravinder Khanna
Director
DIN:01005216

Ranjita Deo
Chief Financial Officer

Femi Jain
Company Secretary
Membership No.: ACS 55411

Place: Mumbai
Date: 1 June 2020

ADITYA BIRLA SOLAR LIMITED