S R B C & CO LLP
Chartered Accountants

12th Floor, The Ruby
29 Senapati Bapat Marg
Dadar (West)
Mumbai - 400 028, India
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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 2019, 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 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 2019, its profit 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 Auditors' 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.

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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 system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

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- 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 the Board of Directors 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 the Board of Directors 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 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2019 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;

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(g) In our opinion, the managerial remuneration for the year ended 31 March 2019 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

S R B C & CO LLP
MUMBAI
CHARTERED ACCOUNTANTS

per Vijay Maniar
Partner
Membership Number: 36738
Place of Signature: Mumbai
Date: 22 May 2019

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 2019	Net block as at 31 March 2019	Total number of cases
1	Freehold land	15,17,09,341	15,17,09,341	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.

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(b) According to the information and explanations given to us, no undisputed amounts payable in respect of income-tax, 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 custom, 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 banks. The Company has not taken loan or borrowing from financial institution or government and has not issued any debentures during the year.

(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.

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(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

S R B C & CO LLP
MUMBAI
CHARTERED ACCOUNTANTS

per Vijay Maniar
Partner
Membership Number: 36738
Place of Signature: Mumbai
Date: 22 May 2019

Annexure 2 referred to in Paragraph 2(f) under the heading "Report on Other Legal and Regulatory Requirements" of our report of even date

Report on the Internal Financial Controls under Clause (i) of sub-section 3 of section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Aditya Birla Solar Limited ("the Company") as of 31 March 2019 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting with reference to these financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing as specified under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls and, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting with reference to these financial statements was established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls over financial reporting with reference to these financial statements.

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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 2019, 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

S R B C & CO LLP
MUMBAI
CHARTERED ACCOUNTANTS

per Vijay Maniar
Partner
Membership Number: 36738
Place of Signature: Mumbai
Date: 22 May 2019

Aditya Birla Solar Limited
CIN: U40106MH2016PLC280762
Balance Sheet as at 31 March 2019

(in Rs.)

Particulars	Notes	As at 31 March 2019	As at 31 March 2018
Assets			
Non current assets			
Property, plant and equipment	3	3,01,91,10,144	3,03,53,88,922
Capital work in progress	3	8,65,55,987	9,64,81,052
Deferred tax assets (net)	4	27,09,779	1,02,735
Non current tax assets (net)	5	77,76,481	54,90,402
Other non current assets	6	5,71,08,175	5,42,01,089
		3,17,32,60,566	**3,19,16,64,200**
Current assets			
Financial assets			
Trade receivables	7	15,73,97,588	13,94,31,384
Cash and cash equivalents	8	5,68,45,268	2,49,92,098
Bank balances other than cash and cash equivalents	9	7,68,80,000	-
Other financial assets	10	13,92,08,370	4,65,61,893
Other current assets	11	1,07,81,167	1,20,62,603
		44,11,12,393	**22,30,47,978**
Total assets		**3,61,43,72,959**	**3,41,47,12,178**
Equity and liabilties			
Equity			
Equity share capital	12	66,58,53,540	60,53,21,400
Other equity	13	13,01,49,178	5,06,02,138
Total equity		**79,60,02,718**	**65,59,23,538**
Liabilties			
Non current liabilities			
Financial liabilities			
Borrowings	14	2,53,75,82,217	2,32,06,92,438
		2,53,75,82,217	**2,32,06,92,438**
Current liabilities			
Financial liabilities			
Borrowings	14	-	4,30,00,000
Trade payables	15		
Total outstanding dues of micro and small enterprises		4,92,176	3,73,856
Total outstanding dues of creditors other than micro and small enterprises		47,29,308	20,43,002
Other financial liabilities	16	27,51,49,153	39,11,13,068
Other current liabilities	17	4,17,387	15,66,276
		28,07,88,024	**43,80,96,202**
Total liabilities		**2,81,83,70,241**	**2,75,87,88,640**
Total equity and liabilties		**3,61,43,72,959**	**3,41,47,12,178**

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

S R B C & CO LLP MUMBAI CHARTERED ACCOUNTANTS

22/5/19

Per Vijay Maniar
Partner
Membership No.: 36738
Place: Mumbai
Date:

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

Akhil Mundra
Chief Financial Officer

Femi Jain
Company Secretary
Membership No.: ACS 55411

ADITYA BIRLA SOLAR LIMITED

Place: Mumbai
Date: 21 May 2019

Aditya Birla Solar Limited
CIN: U40106MH2016PLC280762
Statement of Profit and Loss for the year ended 31 March 2019

(in Rs.)

Particulars	Notes	For the year ended 31 March 2019	For the year ended 31 March 2018
Income			
Revenue from operations	18	48,28,43,444	31,51,76,652
Other income	19	64,23,893	64,12,081
Total income		**48,92,67,337**	**32,15,88,733**
Expenses			
Operation and maintenance expenses	20	2,54,15,286	1,32,62,512
Depreciation expenses	3	9,40,51,522	6,69,24,703
Finance costs	21	23,85,01,198	12,42,76,567
Other expenses	22	2,99,55,559	2,84,38,975
Total expenses		**38,79,23,565**	**23,29,02,757**
Profit for the year before tax		**10,13,43,772**	**8,86,85,976**
Tax expenses	4		
Current tax		2,18,38,367	1,80,82,051
MAT credit entitlement		(2,18,38,367)	(1,80,82,051)
Deferred tax		(2,06,01,772)	(2,38,01,385)
Total tax expenses		**(2,06,01,772)**	**(2,38,01,385)**
Profit for the year after tax		**8,07,42,000**	**6,48,84,591**
Other comprehensive income			
Other comprehensive income to be reclassified to profit or loss in subsequent periods			
Net movement on cash flow hedge		(40,78,713)	(1,16,57,280)
Income tax effect	4	13,70,449	32,11,872
Other comprehensive income for the year, net of tax		**(27,08,264)**	**(84,45,408)**
Total comprehensive income for the year, net of tax		**7,80,33,736**	**5,64,39,183**
Earnings per equity share of Rs. 10 each			
Basic and diluted	23	1.26	1.07

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

21/5/19

Per Vijay Maniar
Partner
Membership No.: 36738
Place: Mumbai
Date:

S R B C & CO LLP MUMBAI CHARTERED ACCOUNTANTS

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

Akhil Mundra
Chief Financial Officer

Femi Jain
Company Secretary
Membership No.: ACS 55411

Place: Mumbai
Date: 21 May 2019

ADITYA BIRLA SOLAR LIMITED

Aditya Birla Solar Limited
CIN: U40106MH2016PLC280762
Cash Flow Statement for the year ended 31 March 2019

(in Rs.)

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Cash flow from operating activities		
Profit for the year before tax as per the statement of profit and loss	**10,13,43,772**	**8,86,85,976**
Adjustments for:		
Finance costs	23,84,62,873	12,41,49,008
Depreciation expenses	9,40,51,522	6,69,24,703
Net losses arising on financial liabilities	-	98,61,604
Interest income	(44,09,658)	(63,88,717)
Operating profit before working capital changes	**42,94,48,509**	**28,32,32,574**
Working capital adjustments		
(Increase) in trade receivables	(1,79,66,204)	(13,94,31,384)
Decrease/(increase) in other financial assets, other current and non current assets	2,80,38,705	(3,45,35,372)
Increase in trade payables	28,04,626	21,33,358
Increase/(decrease) in other financial liabilities and other current liabilites	41,21,893	(5,99,27,579)
Cash generated from operations	**44,64,47,529**	**5,14,71,597**
Income taxes paid (net of refund)	(2,41,24,445)	(2,31,82,988)
Cash generated from operating activities	**42,23,23,084**	**2,82,88,609**
Cash flow from investing activities		
Purchase of property, plant and equipment including capital work in progress	(39,33,58,973)	(2,42,13,70,126)
Fixed deposits with original maturity of more than three months made	(17,34,00,000)	-
Fixed deposits with original maturity of more than three months matured/encashed	9,65,20,000	-
Interest received	28,60,023	63,84,362
Cash used in investing activities	**(46,73,78,950)**	**(2,41,49,85,764)**
Cash flow from financing activities		
Proceeds from issue of equity shares including securities premium	6,20,45,444	-
Proceeds from long term borrowings	29,83,06,026	2,19,28,35,244
Repayment of long term borrowings	(2,00,00,000)	-
Proceeds from inter corporate loan	10,35,00,000	6,30,00,000
Payment of inter corporate loan taken	(14,65,00,000)	(2,00,00,000)
Finance costs	(22,04,42,434)	(7,76,76,875)
Cash generated from financing activities	**7,69,09,036**	**2,15,81,58,369**
Net increase/(decrease) in cash and cash equivalents	3,18,53,170	(22,85,38,786)
Cash and cash equivalents at beginning of the year	2,49,92,098	25,35,30,884
Cash and cash equivalents at end of the year (note 8)	**5,68,45,268**	**2,49,92,098**

For the purpose of cashflow statement, cash and cash equivalents comprise the following:

(in Rs.)

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Balances with banks		
On current accounts	28,45,268	67,89,516
Fixed deposits with original maturity of less than three months	5,40,00,000	1,82,02,582
Total	**5,68,45,268**	**2,49,92,098**

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:

S R B C & CO LLP MUMBAI CHARTERED ACCOUNTANTS

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

Akhil Mundra
Chief Financial Officer

Femi Jain
Company Secretary
Membership No.: ACS 55411

Place: Mumbai
Date: 21 May 2019

ADITYA BIRLA SOLAR LIMITED

Aditya Birla Solar Limited
CIN: U40106MH2016PLC280762
Statement of Changes in Equity for the year ended 31 March 2019

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 2017	6,05,32,140	60,53,21,400
Issue of equity share capital (note 12)	-	-
As at 31 March 2018	**6,05,32,140**	**60,53,21,400**
Issue of equity share capital (note 12)	60,53,214	6,05,32,140
As at 31 March 2019	**6,65,85,354**	**66,58,53,540**

B) Other equity (in Rs.)

Particulars	As at 31 March 2019	As at 31 March 2018
Opening balance	5,06,02,138	(58,37,045)
Profit for the year (note 13)	8,07,42,000	6,48,84,591
Securities premium (note 13)	15,13,304	-
Other comprehensive income (note 13)	(27,08,264)	(84,45,408)
Closing balance	**13,01,49,178**	**5,06,02,138**

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:

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

Akhil Mundra
Chief Financial Officer

Femi Jain
Company Secretary
Membership No.: ACS 55411

Place: Mumbai
Date: 21 May 2019

1. Corporate information

Aditya Birla Solar Limited ('the Company') is a public 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. The Company is a subsidiary of Grasim Industries Limited (99.10%) with effect from 18 May 2018. Essel Mining and Industries Limited holds 0.90% equity stake in the Company.

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 authorised for issue in accordance with a resolution of the directors on 21 May 2019.

2. Significant accounting policies

2.1 Basis of preparation

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind-AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) 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 fair value which approximates the amortised 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 realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised 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.

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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.

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 recognised 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 recognised in the statement of profit or loss with the exception of the following:

- Exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings;

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.

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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 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, 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

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 from contract with customers

The Company is in the business of supply of power to its customers. Revenue from contracts with customers is recognised when solar power generated is transferred to the customers at an amount that reflects the consideration to which the Company expects to be entitled in exchange for the goods.

The specific recognition criteria described below must also be met before revenue is recognised.

(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.

Revenue from such contracts is recognised over time for each unit of electricity delivered at the pre-determined rate as the customers simultaneously receive and consume the benefits of the Company's

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performance obligation, as it best depicts the value to the customers and complete satisfaction of performance obligation. There is no significant judgement involved while evaluating the timing as to when the customers obtain control of promised goods. Accordingly, 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 customers.

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

Contract balances

(a) Contract assets

A contract asset is the right to consideration in exchange for goods or services transferred to the customers. If the Company performs by transferring goods or services to the customers before the customers pay 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 the customers for which the Company has received consideration (or an amount of consideration is due) from the customers. If the customers pay consideration before the Company transfers goods or services to the customers, 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.

(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 deposits and interest on income tax refund are included in other income in the statement of profit and loss.

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.

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

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised 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 utilised.

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 utilised. Unrecognised deferred tax assets are re-assessed at each reporting date

and are recognised 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 realised 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.

Minimum alternate tax

Minimum alternate tax (MAT) paid in a year is charged to the statement of profit and loss as current tax for the year.

The deferred tax asset is recognised for MAT credit available only to the extent that it is probable that the concerned company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the company recognises MAT credit as an asset, it is created by way of credit to the statement of profit and loss and shown as part of deferred tax asset. The Company reviews the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent that it is no longer probable that it will pay normal tax during the specified period.

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, if any. 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

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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 financial year end 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 capitalised 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

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Company is classified as a finance lease. All other leases are classified as operating lease.

Finance leases are capitalised at the commencement of the lease at the inception date fair value of the leased property or, if lower, at the present value of the minimum lease payments/rent. Lease payments/rent are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the statement of profit and loss, unless they directly attributable to qualifying assets, in which they are capitalised in accordance with the Company's general policy on the borrowing costs.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Company will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Company as a lessee

Operating lease payments are recognised as an expense in the statement of profit and loss on a straight-line basis over the lease term.

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i. Provisions and Contingent Liabilities

Provisions are recognised 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.

(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

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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

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

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

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 upon

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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.

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

- Hedges of a net investment in a foreign operations

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

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

The Company uses forward currency contracts/swaps as hedges of its exposure to foreign currency/interest rate risk in forecast transactions. The ineffective portion relating to such contracts/swaps is recognised in finance costs.

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

If the hedging instrument expires or is sold, terminated or exercised without replacement or rollover (as part of the hedging strategy), or if its designation as a hedge is revoked, or when the hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss previously recognised in OCI remains separately in equity until the foreign currency firm commitment is met.

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.

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An intangible asset is derecognised 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 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.

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.

o. 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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Aditya Birla Solar Limited
CIN: U40106MH2016PLC280762
Notes to Financial Statements for the year ended 31 March 2019

3. Property, plant and equipment

(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. 15,17,09,342.

Note : (a) Capital work in progress of Rs. 24,79,180 pertains towards land for Mulbagal project (22.3 MWp DC).
(b) Capital work in progress of 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 14).

(in Rs.)

Sr. No.	Particulars	Location	Gross block				Depreciation				Net block
			As at 1 April 2017	Additions	Disposals	As at 31 March 2018	As at 1 April 2017	Charge for the year	Disposals	As at 31 March 2018	As at 31 March 2018
1	Plant and equipment	Ramadurg (22.3 MWp DC)	-	88,09,13,378	-	88,09,13,378	-	2,59,05,314	-	2,59,05,314	85,50,08,064
		Shirahatti (22.3 MWp DC)	-	90,74,97,764	-	90,74,97,764	-	2,64,06,024	-	2,64,06,024	88,10,91,740
		Mulbagal (22.3 MWp DC)	-	93,81,04,820	-	93,81,04,820	-	1,35,33,573	-	1,35,33,573	92,45,71,247
2	Building	Ramadurg (22.3 MWp DC)	-	2,05,35,896	-	2,05,35,896	-	5,58,139	-	5,58,139	1,99,77,757
		Shirahatti (22.3 MWp DC)	-	1,56,67,056	-	1,56,67,056	-	4,25,534	-	4,25,534	1,52,41,522
		Mulbagal (22.3 MWp DC)	-	2,32,58,308	-	2,32,58,308	-	96,119	-	96,119	2,31,62,189
3	Freehold land *	Ramadurg (22.3 MWp DC)	9,22,94,377	40,37,870	-	9,63,32,247	-	-	-	-	9,63,32,247
		Shirahatti (22.3 MWp DC)	5,47,28,738	3,75,35,130	-	9,22,63,868	-	-	-	-	9,22,63,868
		Mulbagal (22.3 MWp DC)	-	12,34,31,273	-	12,34,31,273	-	-	-	-	12,34,31,273
		Mulbagal	-	43,09,015	-	43,09,015	-	-	-	-	43,09,015
	Total		14,70,23,115	2,95,52,90,510	-	3,10,23,13,625	-	6,69,24,703	-	6,69,24,703	3,03,53,88,922

* The Company is in the process of getting 23 sale deeds registered in its name amounting to Rs. 18,31,24,380.

Note : (a) Capital work in progress of Rs. 1,24,04,245 pertains to Mulbagal (22.3 MWp DC) project.
(b) Capital work in progress of Rs. 8,40,76,807 at Mulbagal.
(c) Property, plant and equipment has been hypothecated as security for borrowings by the Company (note 14).

Capitalised borrowing costs

The amount of borrowing costs capitalised during the year ended 31 March 2019 amounts to Rs. Nil (PY: Rs. 1,75,07,223).The rate used to determine the amount of borrowing costs eligible for capitalisation has been computed using effective rate of interest (note 14).

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4. Deferred tax assets (net) (in Rs.)

Particulars	As at 31 March 2018	Charge for the year	MAT credit entitlement	As at 31 March 2019
Deferred tax assets				
Borrowings (note a)	7,49,808	1,03,52,183	-	1,11,01,991
Preliminary expenses	11,23,253	63,904	-	11,87,157
Share issue expenses	1,33,425	(27,663)	-	1,05,762
Business loss (note b)	32,99,38,315	16,07,82,468	-	49,07,20,783
	33,19,44,801	**17,11,70,892**	**-**	**50,31,15,693**
Deferred tax liabilities				
Accelerated depreciation for tax purposes	(35,31,35,989)	(19,17,72,664)	-	(54,49,08,653)
	(35,31,35,989)	**(19,17,72,664)**	**-**	**(54,49,08,653)**
Net movement on cash flow hedge (note c)	32,11,872	13,70,449	-	45,82,321
MAT credit entitlement (note d)	1,80,82,051	-	2,18,38,367	3,99,20,418
	1,02,735	**(1,92,31,323)**	**2,18,38,367**	**27,09,779**

Notes:

a) Timing difference on the outstanding borrowings due to difference in effective interest and actual interest.

b) Recognised on business losses which will be available to offset future taxable income of the Company.

c) Income tax effect on movement of cash flow hedges.

d) Assets of Rs. 2,18,38,632 (PY: Rs.1,80,82,051) recognised as MAT credit entitlement represents the portion of MAT liability which can be recovered and set-off in subsequent years.

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

Particulars	As at 31 March 2019	As at 31 March 2018
Advance income tax and tax deducted at source [net of provision Rs. Nil (PY Rs. Nil)]	77,76,481	54,90,402
Total	**77,76,481**	**54,90,402**

6. Other non current assets (in Rs.)

Particulars	As at 31 March 2019	As at 31 March 2018
Security deposit (unsecured, considered good)	7,86,025	7,86,026
Capital advances	5,63,22,150	5,34,15,063
Total	**5,71,08,175**	**5,42,01,089**

7. Trade receivables (in Rs.)

Particulars	As at 31 March 2019	As at 31 March 2018
Unsecured, considered good	15,73,97,588	13,94,31,384
Total	**15,73,97,588**	**13,94,31,384**

Break up for security details (in Rs.)

Particulars	As at 31 March 2019	As at 31 March 2018
Secured, considered good	-	-
Unsecured, considered good	15,73,97,588	13,94,31,384
Trade receivables which have significant increase in credit risk [note 29(C)(a)]	-	-
Trade receivables - credit impaired [note 29(C)(a)]	-	-
Total	**15,73,97,588**	**13,94,31,384**

No trade or other receivable is 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).

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

8. Cash and cash equivalents (in Rs.)

Particulars	As at 31 March 2019	As at 31 March 2018
Balances with banks		
On current accounts	28,45,268	67,89,516
Deposits with original maturity of less than three months	5,40,00,000	1,82,02,582
Total	**5,68,45,268**	**2,49,92,098**

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.

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

Particulars	As at 31 March 2019	As at 31 March 2018
Deposits with original maturity period of more than three months but less than twelve months	7,68,80,000	-
Total	**7,68,80,000**	**-**

10. Other financial assets (in Rs.)

Particulars	As at 31 March 2019	As at 31 March 2018
Derivative instrument designated as cashflow hedge	8,77,90,326	53,39,805
Accrued interest on deposits	15,53,990	4,354
Unbilled revenue	4,87,11,961	4,12,17,734
Receivables from related party (note 25)	11,52,093	-
Total	**13,92,08,370**	**4,65,61,893**

11. Other current assets (in Rs.)

Particulars	As at 31 March 2019	As at 31 March 2018
Prepayments	1,07,79,967	1,20,00,521
Balances with government authorities	1,200	1,200
Other advances	-	60,882
Total	**1,07,81,167**	**1,20,62,603**

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12. Equity share capital (in Rs.)

Particulars	As at 31 March 2019	As at 31 March 2018
Authorised share capital		
7,00,00,000 (PY: 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 (PY: 6,05,32,140) equity shares of Rs. 10 each issued, subscribed and fully paid	66,58,53,540	60,53,21,400
	66,58,53,540	**60,53,21,400**

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

Particulars	As at 31 March 2019	As at 31 March 2018
Equity shares outstanding at the beginning of the year	6,05,32,140	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**	**6,05,32,140**

(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) Grasim Industries Limited is the holding company of the Company with effect from 15 May 2018. Prior to this, the Company was a joint venture between Grasim Industries Limited (50.10%), Essel Mining & Industries Limited (0.90%) and AEIF Mauritius SPV 2 Limited (49%).

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

Name of shareholders	As at 31 March 2019		As at 31 March 2018	
	Number of shares	% holding	Number of shares	% holding
Grasim Industries Limited and its nominees *	6,65,85,354	100.00%	3,03,26,602	50.10%
AEIF Mauritius SPV 2 Limited	-	-	2,96,60,749	49.00%

* Aditya Birla Nuvo Limited merged with Grasim Industries Limited w.e.f. 01 July 2017.

13. Other equity (in Rs.)

Particulars	As at 31 March 2019	As at 31 March 2018
Opening balance	5,06,02,138	(58,37,045)
Profit for the year	8,07,42,000	6,48,84,591
Securities premium	15,13,304	-
Other comprehensive income [Net movement on cashflow hedges (net of tax)]	(27,08,264)	(84,45,408)
Closing balance	**13,01,49,178**	**5,06,02,138**

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

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14. Borrowings (in Rs.)

Particulars	As at 31 March 2019	As at 31 March 2018
Secured		
Yes Bank Limited (note A)		
Term loan	-	1,98,83,189
Letter of credit discounted	1,19,58,39,772	88,92,22,960
Buyers' credit	1,52,58,11,515	1,41,23,06,289
	2,72,16,51,287	**2,32,14,12,438**
Less: Current maturity of long term debt shown under other financial liabilities (note 16)	18,40,69,070	7,20,000
Total non current borrowings	**2,53,75,82,217**	**2,32,06,92,438**
Unsecured		
Current		
Inter corporate loan (note 25)	-	4,30,00,000
Total current borrowings	**-**	**4,30,00,000**

Summary of borrowing arrangements

(A) Yes Bank Limited

The lender has sanctioned a term loan facility of Rs. 2,60,00,00,000 with sublimits of import letter of credit, domestic letter of credit and letter of undertaking for buyer's credit of Rs. 2,00,00,00,000, Rs. 1,30,00,00,000 and Rs. 2,00,00,00,000 respectively. This facility is secured by way of first charge on the project's assets, both present and future, located at Ramadurg, Shirahatti and Mulbagal. This loan is repayable in 67 instalments beginning from 30 June 2018 upto 31 December 2034. The effective interest rate for the loan is in the range of 7.165% to 9.02% for loan availed in various tranches. Current maturity of long term debt includes a sum of Rs. 7,53,00,983 invested in fixed deposits with lender in escrow account towards the principal repayments starting from June 2018 quarter as per the credit facililites arrangement with the Bank.

Loan covenants

Bank loan contains certain debt covenants relating to debt-equity ratio, debt service coverage ratio, total outstanding liability to networth 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. No loans were due for repayment in the current period.

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15. Trade payables (in Rs.)

Particulars	As at 31 March 2019	As at 31 March 2018
Total outstanding dues of micro and small enterprises (note 27)	4,92,176	3,73,856
Total outstanding dues of creditors other than micro and small enterprises	47,29,308	20,43,002
Total	**52,21,484**	**24,16,858**

16. Other financial liabilities (in Rs.)

Particulars	As at 31 March 2019	As at 31 March 2018
Interest accrued but not due on borrowings	8,20,23,209	6,40,02,768
Liability for capital expenditure (including retention money)	17,29,785	18,08,398
Current maturity of long term debt (note 14)	18,40,69,070	7,20,000
Payable to related party (note 25)	-	32,25,25,595
Provision for expenses	73,27,089	20,56,307
Total	**27,51,49,153**	**39,11,13,068**

17. Other current liabilities (in Rs.)

Particulars	As at 31 March 2019	As at 31 March 2018
Statutory liabilities		
Tax deducted at source	3,44,625	15,47,053
Goods and service tax payable	72,762	19,223
Total	**4,17,387**	**15,66,276**

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18. Revenue from operations

(in Rs.)

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Solar power generation		
Ramadurg (22.3 MWp DC)	17,54,44,002	14,66,94,533
Shirahatti (22.3 MWp DC)	17,38,93,464	14,64,75,942
Mulbagal (22.3 MWp DC)	13,35,05,978	2,20,06,177
Total	**48,28,43,444**	**31,51,76,652**

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 2019	As at 31 March 2018
Contract assets	-	-
Contract liabilities	-	-
Receivables		
Trade receivables (note 7)	15,73,97,588	13,94,31,384
Unbilled revenue (note 10)	4,87,11,961	4,12,17,734
Total	**20,61,09,549**	**18,06,49,118**

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 2019	For the year ended 31 March 2018
Interest income on fixed deposits	44,09,658	63,88,717
Income from liquidated damages	20,14,235	-
Interest income on income tax refund	-	23,364
Total	**64,23,893**	**64,12,081**

20. Operation and maintenance expenses

(in Rs.)

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Operation and maintenance expenses	2,37,52,832	1,28,67,832
Supervision charges	11,23,274	3,94,680
Operation and maintenance charges - Karnataka Power Transmission Corporation Limited	5,39,180	-
Total	**2,54,15,286**	**1,32,62,512**

21. Finance costs

(in Rs.)

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Interest cost on borrowings	23,84,62,873	12,41,49,008
Interest on late payment of tax deducted at source	26	1,16,753
Bank charges	38,299	10,806
Total	**23,85,01,198**	**12,42,76,567**

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22. Other expenses

(in Rs.)

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Material shifting charges	21,83,378	36,97,128
Lease rent	3,47,887	3,47,887
Insurance expenses	17,75,476	14,32,530
Corporate social responsibility (CSR) expenses	8,05,000	-
Damages for delay as per power purchase agreement	1,55,76,900	-
Deputation charges	32,70,609	13,15,039
Repairs and maintenance	1,68,532	3,71,664
Net losses on financial liabilities	-	98,61,604
Statutory license fees	9,15,136	9,21,140
CEIG fees	2,97,600	-
Rates and taxes	20,364	95,755
Security charges	7,41,639	60,35,346
Legal and professional fees	21,70,101	22,23,447
Payment to auditors (refer details below)	7,75,675	5,91,500
Managerial remuneration (note 25)	6	-
Miscellaneous expenses	9,07,256	15,45,935
Total	**2,99,55,559**	**2,84,38,975**

(in Rs.)

Payment to auditors (including GST)	For the year ended 31 March 2019	For the year ended 31 March 2018
As auditor		
Audit fees	6,87,175	5,03,000
In other capacity		
Taxation	88,500	88,500
Total	**7,75,675**	**5,91,500**

(in Rs.)

Details of CSR expenditure	For the year ended 31 March 2019	For the year ended 31 March 2018
(a) Gross amount required to be spent by the Company for the year	8,02,387	-

	In cash	Yet to be paid in cash	Total
(b) Amount spent during the year ended on 31 March 2019			
(i) Construction/acquisition of any asset	-	-	-
(i) On purposes other than (i) above - Donation to AWOO Foundation	8,05,000	-	8,05,000
(c) Amount spent during the year ended on 31 March 2018			
(i) Construction/acquisition of any asset	-	-	-
(i) On purposes other than (i) above	-	-	-

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23. Earning per share (EPS)

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

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 year 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 2019	For the year ended 31 March 2018
Profit attributable to equity holders (in Rs.)	8,07,42,000	6,48,84,591
Weighted average number of equity shares for basic and diluted EPS	6,42,13,821	6,05,32,140
Basic and diluted earnings per share (in Rs.)	**1.26**	**1.07**

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 29)
- Capital management (note 29)

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.

Operating lease - Company as lessee

The Company is paying lease rent towards leased land obtained for 30 years from the lessor, where it has determined that the significant risks and rewards related to the properties are retained with the lessors. As such, this arrangement is accounted as operating lease.

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.

The deferred tax is recognised for MAT credit available only to the extent it is probable that the concerned Company will pay normal income tax during the specified period, i.e. the period for which MAT credit is allowed to be carried forward.

ii) 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.

iii) Recognition and measurement of provisions and contingencies

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

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Aditya Birla Solar Limited
CIN: U40106MH2016PLC280762
Notes to Financial Statements for the year ended 31 March 2019

25. Related party transactions
Name of related parties and description of relationship with whom transactions have taken place during the year ended 31 March 2019

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

* Aditya Birla Nuvo Limited merged with Grasim Industries Limited w.e.f. 01 July 2017.

(B) 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 (Resigned w.e.f. 15 May 2018) #
Pawan Kumar Jain, Chief Financial Officer (Resigned w.e.f. 21 September 2018)
Akhil Mundra, Chief Financial Officer (w.e.f. 04 February 2019)

Foreign National

Details of transactions with related parties (in Rs.)

Sr. No.	Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
1	**Allotment of equity shares including securities premium**		
	Grasim Industries Limited	6,14,87,034	-
2	**Purchases under supply and service contracts**		
	Grasim Industries Limited	5,36,87,349	53,53,49,330
3	**Inter corporate loan taken**		
	Grasim Industries Limited	10,35,00,000	6,30,00,000
4	**Payment of inter corporate loan taken**		
	Grasim Industries Limited		
	Principal	14,65,00,000	2,00,00,000
	Interest (net of TDS)	39,00,250	4,712
		15,04,00,250	**2,00,04,712**
5	**services**	11,23,274	6,11,924
	Grasim Industries Limited		
6	**Managerial remuneration**		
	Ravinder Khanna	2	-
	Devajyoti Bhattacharya	1	-
	Pawan Kumar Jain	2	-
	Akhil Mundra	1	-
	<u>**Closing balance as at year end**</u>		
7	**Share capital**		
	Grasim Industries Limited	66,58,53,540	30,32,66,020
	AEIF Mauritius SPV 2 Limited	-	29,66,07,490
		66,58,53,540	**60,53,21,400**
8	**Purchases under supply and service contracts**		
	Grasim Industries Limited (payable)	-	32,25,25,595
	Grasim Industries Limited (receivable)	11,52,093	-
9	**Inter corporate loan taken**		
	Grasim Industries Limited	-	
	Principal		4,30,00,000
	Interest (net of TDS)		1,14,510

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

Terms and conditions of transactions with related parties
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 year-end are unsecured and settlement occurs in cash. For the year ended 31 March 2019 and 31 March 2018, 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.

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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 Act, 2006 (MSMED)

(in Rs.)

Particulars	31 March 2019	31 March 2018
Principal amount due to micro enterprises and small enterprises	4,92,176	3,73,856
Interest due on above	-	-
Amount of interest paid during the year	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the 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 2019	As at 31 March 2018	As at 31 March 2019	As at 31 March 2018
Financial assets				
Measured at amortised cost				
Trade receivables (note 7)	15,73,97,588	13,94,31,384	15,73,97,588	13,94,31,384
Cash and cash equivalents (note 8)	5,68,45,268	2,49,92,098	5,68,45,268	2,49,92,098
Bank balances other than cash and cash equivalents (note 9)	7,68,80,000	-	7,68,80,000	-
Other financial assets (note 10)	13,92,08,370	4,65,61,893	13,92,08,370	4,65,61,893
Total	**43,03,31,226**	**21,09,85,375**	**43,03,31,226**	**21,09,85,375**
Financial liabilities				
Measured at amortised cost				
Borrowings (note 14)	2,53,75,82,217	2,36,36,92,438	2,53,75,82,217	2,36,36,92,438
Trade payables (note 15)	52,21,484	24,16,858	52,21,484	24,16,858
Other financial liabilities (note 16)	27,51,49,153	39,11,13,068	27,51,49,153	39,11,13,068
Total	**2,81,79,52,854**	**2,75,72,22,364**	**2,81,79,52,854**	**2,75,72,22,364**

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 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.

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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.	Cashflow 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 cashflow 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 2019		As at 31 March 2018	
	in USD	in Rs.	in USD	in Rs.
Buyers credit	2,16,52,337	1,49,77,20,293	2,16,52,337	1,41,23,06,289

The Company has taken a derivative instrument (USD to Rs. swap) to hedge the above buyers' credit and variable interest rates (PY: buyers' credit). Nominal value of such derivative instrument amounts to USD 2,16,52,337 (Rs. 1,39,41,93,979) [(PY: USD 2,16,52,337 (Rs. 1,39,41,93,979)]. The carrying value of the hedging instrument is Rs. 8,77,90,326 (PY: Rs. 53,39,805) 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. 7,48,86,015(PY: Rs. 7,06,15,314). If the rate is decreased by 5%, the profit before tax and pretax 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. 2,72,16,513 (PY: 2,32,14,124) If the rate is decreased by 1%, the profit before tax and pretax 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 2019 is Rs. 15,73,97,588 (PY: Rs. 13,94,31,384).

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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 2019	Less than 3 Months	3 to 12 months	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	4,46,90,675	23,04,58,478	-	-	-	27,51,49,153
Total	**4,99,12,159**	**23,04,58,478**	**32,16,10,930**	**29,74,70,369**	**1,91,85,00,918**	**2,81,79,52,854**

(in Rs.)

As at 31 March 2018	Less than 3 Months	3 to 12 months	1 to 3 years	3 to 5 years	Above 5 years	Total
Trade payables	24,16,858	-	-	-	-	24,16,858
Borrowings	53,43,55,058	39,78,63,695	1,41,54,87,593	23,46,212	1,36,39,880	2,36,36,92,438
Other financial liabilities	39,11,13,068	-	-	-	-	39,11,13,068
Total	**92,78,84,984**	**39,78,63,695**	**1,41,54,87,593**	**23,46,212**	**1,36,39,880**	**2,75,72,22,364**

(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 gearing ratio, which is net debt divided by total capital plus net debt. The Company includes within net debt, interest bearing loan and borrowings, less cash and cash equivalents, excluding discontinued operations.

(in Rs.)

Particulars	As at 31 March 2019	As at 31 March 2018
Borrowings (note 14 and note 16)	2,72,16,51,287	2,36,44,12,438
Less: Cash and cash equivalents (note 8)	(5,68,45,268)	(2,49,92,098)
Net debt (A)	**2,66,48,06,019**	**2,33,94,20,340**
Equity (note 12)	66,58,53,540	60,53,21,400
Other equity (note 13)	13,01,49,178	5,06,02,138
Total capital (B)	**79,60,02,718**	**65,59,23,538**
Total capital and net debt (C=A+B)	**3,46,08,08,737**	**2,99,53,43,878**
Gearing ratio (A/C)	77%	78%

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 networth 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 previous year, the Company had availed the buyers' credit of USD 2,16,52,337. The Company had taken a derivative instrument (USD to Rs. and interest rate swap) to hedge its foreign currency and interest rate variability exposure. Both the buyers' credit and the derivative instrument are outstanding as on 31 March 2019 and 31 March 2018 [note 29 (A)(i)].

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Aditya Birla Solar Limited
CIN: U40106MH2016PLC280762
Notes to Financial Statements for the year ended 31 March 2019

34. Standards issued but not yet effective
Ind AS 116 Leases

Ind AS 116 Leases was notified by the Ministry of Corporate Affairs on 30 March 2019 and it replaces Ind AS 17 Leases, including appendices thereto. It is effective for annual periods beginning on or after 01 April 2019. Ind AS 116 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 similar to the accounting for finance leases under Ind AS 17. At the commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset). Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset.
The Company is in the process of evaluating Ind AS 116 and the changes to accounting system and additional disclosure requirements that may be necessary, will be given effect to once evaluation has been completed.

35. Previous years' 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

S R B C & CO LLP MUMBAI CHARTERED ACCOUNTANTS

Per Vijay Maniar 22/5/19
Partner
Membership No.: 36738
Place: Mumbai
Date:

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

Akhil Mundra
Chief Financial Officer

Femi Jain
Company Secretary
Membership No.: ACS 55411

Place: Mumbai
Date: 21 May 2019

ADITYA BIRLA SOLAR LIMITED