

INDEPENDENT AUDITOR'S REPORT

To the Members of Vikram Solar Limited (formerly known as 'Vikram Solar Private Limited')

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying standalone financial statements of Vikram Solar Limited (formerly known as 'Vikram Solar Private Limited') ("the Company"), which comprise the Balance sheet as at March 31 2020, the Statement of Profit and Loss, including the Statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the Standalone Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies)Indian Accounting Standards) Rules,2015 (as amended) (" Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, 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 standalone 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 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 standalone financial statements.

Emphasis of Matter

We draw attention to the following notes of the Standalone Financial Statements:

- (i) Note 43, which describes the uncertainties and the impact of the Covid-19 pandemic on the Company's operations and financial statements as assessed by the management. The actual outcome may differ from such estimates for recovery of the carrying amount of various Non current & current assets including inventories, trade receivables, investments and other assets, depending on future developments.
- (ii) Note 44 regarding payment of safeguard duty amounting to Rs. 10764.33 lakhs during the year 2018-19 and 2019-20 which has been considered as receivable in the financial statements since the matter is subjudice and based on legal opinion obtained by the Company, the Company has an arguable case on merits, as more fully described therein. Necessary adjustments in the financials will be made based upon the legal outcome of the matter.
- (iii) Note 46 regarding amount of Rs.6546.58 lakhs (included in Trade Receivables in the Financial Statements) which has been withheld/recovered by certain customers related to EPC contracts on account of Liquidated damages, generation loss etc. which the Company has not acknowledged and the matter has been referred to Arbitration as per the terms of the respective contracts. The management is hopeful of resolution of the matter in favour of the Company and necessary adjustments will be made based upon the outcome of the arbitration proceedings.



- (iv) Note 48 regarding remuneration paid to the Managing Director and Executive Director of the Company, during the year ended March 2020 which has exceeded the limit prescribed under section 197 of the Companies Act, 2013 by Rs.191.28 lakhs which is subject to approval of the Shareholders of the Company. Pending such approval, no adjustment has been made in the financial statements.

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

Other Information

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the standalone financial statements and our auditor's report thereon.

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

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

Responsibility of Management & those charged with Governance for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone 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 standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

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



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

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

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

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

Report on Other Legal and Regulatory Requirements

1. As required by 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 A" 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 standalone 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 March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164 (2) of the Act;
- (f) With respect to the adequacy of the internal financial controls with reference to these standalone financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure B" to this report;
- (g) In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its Managing Director and Executive Director during the year has exceeded the limit prescribed under section 197 of the Companies Act, 2013 by Rs. 191.28 Lakhs , which is subject to the approval of shareholders in accordance with the requisite approvals mandated by 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 has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 33, 44 and 46 to the standalone financial statements;
 - 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 Singhi & Co.
Chartered Accountants
Firm's Registration No. 302049E



(RAJIV SINGHI)

Partner
Membership No. 053518
UDIN - 20053518AAAAAY4702



Place: Kolkata
Date: July 10, 2020

ANNEXURE "A" TO THE INDEPENDENT AUDITORS' REPORT

Referred to para no. 1 under 'Report on Other Legal and Regulatory Requirements' section in our Independent Auditors' Report to the members of the Company on the standalone financial statements for the year ended 31st March, 2020, we report that

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The fixed assets were physically verified during the previous year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanation given to us, no material discrepancies were noticed 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 included in property, plant and equipment are held in the name of the company.
- (ii) As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals and no material discrepancies were noticed on physical verification.
- (iii) The Company has granted loans to two bodies corporate covered in the register maintained under section 189 of the Companies Act, 2013. In our opinion and according to the information and explanations given to us, the terms and conditions of the grant of such loans are not prejudicial to the company's interest. The schedule of repayment of principal and payment of interest has been stipulated for the loans granted and the repayment/receipts are regular. There is no overdue amount in respect of the above loans to the parties listed in the register maintained under section 189 of the Act.
- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Section 185 and 186 of the Companies Act, 2013 in respect of grant of loans and making investments. However, the Company has not provided any guarantees and securities.
- (v) According to the information and explanations given to us, the Company has not accepted any deposit from the public and hence reporting under clause (v) of the order is not applicable.
- (vi) The maintenance of cost records has been specified by the Central Government under section 148(1) of the Companies Act, 2013. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended prescribed by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013, and are of the opinion that, *prima facie*, the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (vii) According to the information and explanations given to us, in respect of statutory dues:
 - (a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, Customs Duty, Goods & Service Tax, cess and other material statutory dues applicable to it to the appropriate authorities.
 - (b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Goods & Service Tax, cess and other material statutory dues in arrears as at 31st March, 2020 for a period of more than six months from the date they became payable.
 - (c) Details of dues of Sales Tax, Service Tax, Customs Duty, Excise Duty and Value Added Tax which have not been deposited as on 31st March, 2020 on account of disputes are given below:



Name of Statute	Nature of dues	Amount in Rs. Lakhs	Period to which amount relates	Forum where dispute is pending
West Bengal Value Added Tax Act, 2003	Demand for Entry Tax	743.35	2012-2013 & 2013-14	Kolkata High Court
Madhya Pradesh Value added Tax Act, 2002	Demand for Entry Tax	14.54	2014-15 & 2015-16	Addl. Commissioner Appeal
Central Sales Tax, Act 1956	Demand against non-submission of Forms	503.86	2013-14 to 2017-18	Joint Commissioner of Commercial Taxes (Appeals)
West Bengal Value Added Tax act, 2003	Demand against non-submission of Forms, purchase tax, etc.	110.65	2012-13, 2013-14, 2015-16, 2016-17 & 2017-18	Joint Commissioner of Commercial Taxes (Appeals)
Rajasthan Value Added Tax, 2003	Demand for Work Contact Tax	68.76	2016-17	Commercial Tax officer
Madhya Pradesh Value added Tax Act, 2002	Demand against non-submission of forms etc.	86.81	2014-15 & 2015-16	Addl. Commissioner Appeals
Delhi Value Added Tax Act, 2004	Computation of Tax Liability & penalty	0.81	2013-14	Joint Commissioner Appels
Customs Act, 1962	Demand for Safeguard duty	943.82	2018-19	Commissioner of Custom (appeal)
The Income Tax Act, 1961	Disallowances of expenses	178.35	AY 2014-15	Commissioner of Income Tax Appeal

- (viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans and borrowings to banks. The Company has not issued any debentures.
- (ix) The company did not raise any money by way of initial public offer or further public offer including debt instruments and term loan during the year.
- (x) According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.
- (xi) In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its Managing Director and Executive Director during the year has exceeded the limit prescribed under section 197 of the Companies Act, 2013 by Rs. 191.28 Lakhs, which is subject to the approval of shareholders in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- (xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the order is not applicable.
- (xiii) According to the information and explanations given by the management, transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.



- (xiv) During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of the order is not applicable to the Company.
- (xv) In our opinion and according to the information and explanations given to us, during the year, the Company has not entered into any non-cash transactions with directors or persons connected with them and hence provisions of section 192 of the Companies Act, 2013 are not applicable.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For Singhi & Co.
Chartered Accountants
Firm's Registration No. 302049E



Rajiv Singhi

(RAJIV SINGHI)

Partner

Membership No. 053518

UDIN - 20053518AAAAAY4702

Place: Kolkata

Date: July 10, 2020

ANNEXURE "B" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' section 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 with reference to standalone financial statements of Vikram Solar Limited (formerly known as 'Vikram Solar Private Limited') ("the Company") as of 31st March, 2020 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control with reference to financial statements 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 (the "Guidance Note") issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to these financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls 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 system with reference to these financial statements and their operating effectiveness. Our audit of internal financial controls with reference to these financial statements included obtaining an understanding of such internal financial controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls with reference to these financial statements

A company's internal financial control 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 with reference to these financial statement 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 with reference to these financial statements

Because of the inherent limitations of internal financial controls 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 with reference to these financial statements to future periods are subject to the risk that the internal financial control 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, to the best of our information and according to the explanations given to us, the Company has, in all material respects, adequate internal financial controls with reference to these financial statements and such internal financial controls were operating effectively as at March 31, 2020, based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Singhi & Co.
Chartered Accountants
Firm's Registration No. 302049E



Rajiv Singhi

(RAJIV SINGHI)

Partner

Membership No. 053518

UDIN- 20053518AAAAAY4702

Place: Kolkata

Date: July 10, 2020

Vikram Solar Limited (formerly known as 'Vikram Solar Private Limited')
Balance Sheet as at 31 March 2020
(Amount in INR lakhs, unless otherwise stated)

Particulars	Notes	As at	As at
		31 March 2020	31 March 2019
ASSETS			
Non-current assets			
Property, plant and equipment	3	33,265.52	32,271.01
Right-of-use assets	3A	774.45	-
Capital work-in-progress		1,091.19	991.83
Intangible assets	4	1,597.62	1,259.32
Intangible assets under development		-	192.54
Financial assets			
Investments	5	2,819.58	1,268.46
Loans	6	215.92	156.27
Other financial assets	7	5,545.32	4,938.86
Other non-current assets	8	669.76	528.68
Total non-current assets		45,979.36	41,606.97
Current assets			
Inventories	9	22,553.69	20,614.09
Financial assets			
Trade receivables	10	51,672.74	54,111.75
Cash and cash equivalents	11	2,949.74	1,075.79
Bank balances other than above Cash and cash equivalents	12	9,044.87	8,687.94
Loans	6	1,032.53	818.52
Other financial assets	7	18,043.45	11,380.53
Current tax assets (net)	13	1,786.58	1,567.12
Other current assets	8	4,777.64	4,912.68
Total current assets		1,11,861.24	1,03,168.42
Total assets		1,57,840.60	1,44,775.39
EQUITY AND LIABILITIES			
Equity			
Equity share capital	14	2,792.50	2,792.50
Other equity	15	34,987.62	33,461.31
Total equity		37,780.12	36,253.81
Liabilities			
Non-current liabilities			
Financial liabilities			
Borrowings	16	18,709.82	20,357.30
Lease Liabilities	45	698.45	-
Provisions	18	513.96	453.78
Deferred tax liabilities (net)	19	1,727.33	1,319.93
Deferred income from grant	34	1,664.91	1,808.65
Other non current liabilities	22	7,632.88	2,428.99
Total non-current liabilities		30,947.36	26,368.65
Current liabilities			
Financial liabilities			
Borrowings	20	30,728.99	35,559.75
Lease Liabilities	45	392.58	-
Trade payables			
- Total outstanding dues of micro enterprises and small enterprises	21	2,998.58	958.27
- Total outstanding dues of creditors other than micro enterprises and small enterprises	21	45,893.46	38,595.11
Other financial liabilities	17	4,144.13	4,640.06
Provisions	18	29.21	26.16
Deferred income from grant	34	143.74	143.74
Other current liabilities	22	4,782.43	2,229.84
Total current liabilities		89,113.12	82,152.93
Total liabilities		1,20,060.48	1,08,521.58
Total equity and liabilities		1,57,840.60	1,44,775.39

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

As per our report of even date
For Singh & Co.
Chartered Accountants
Firm Registration No.: 302049E

Rajiv Singh
Partner
Membership No: 053518



Place: Kolkata
Date: July 10, 2020

For and on behalf of the Board of Directors
Vikram Solar Limited
CIN: U18100WB2005PLC106448

Gyanesh Chaudhary
Managing Director
DIN: 00060387

Rajendra Kumar Parakh
Chief Financial Officer

Krishna Kumar Maskara
Wholesale Director
DIN: 01677008

Sudip Chatterjee
Company Secretary
Membership No: 418690

Vikram Solar Limited (formerly known as 'Vikram Solar Private Limited')
Statement of Profit and Loss for the year ended 31 March 2020
(Amount in INR lakhs, unless otherwise stated)

Particulars	Notes	Year ended 31 March 2020	Year ended 31 March 2019
Income			
Revenue from operations	23	1,51,957.61	1,93,795.93
Other income	24	2,458.33	1,438.75
Total income		1,54,415.94	1,95,234.68
Expenses			
Cost of material and services consumed	25	1,15,344.34	1,58,168.34
Changes in inventories of finished goods and work-in-progress	26	3,535.85	-2,247.87
Employee benefits expense	27	7,883.41	7,710.33
Finance costs	28	9,488.68	9,140.55
Depreciation and amortization expense	29	3,672.09	2,791.58
Other expenses	30	13,539.18	14,478.54
Total expenses		1,53,463.55	1,90,041.47
Profit before tax		952.39	5,193.21
Income tax expense			
Current tax		172.00	1,120.00
Deferred tax (net of MAT credit entitlement)	19A	176.04	590.10
Total income tax expense		348.04	1,710.10
Profit for the year		604.35	3,483.11
Other comprehensive income			
Items that will not be reclassified to profit or loss in subsequent periods			
Net gain on fair value of Equity Instruments designated at FVTOCI		1,473.70	55.24
Income tax effect		-343.31	-12.87
		1,130.39	42.37
Re-measurement of gain / (losses) on defined benefit plans		4.46	-5.99
Income tax effect		-1.56	2.09
		2.90	-3.90
Total Other Comprehensive income, net of taxes		1,133.29	38.47
Total comprehensive income for the year		1,737.64	3,521.58
Basic & Diluted Earnings per share [in Rs.]	31	2.16	12.47

Summary of significant accounting policies

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

As per our report of even date

For Singhi & Co.

Chartered Accountants

Firm Registration No.: 302049E

Rajiv Singh

Rajiv Singh
Partner

Membership No: 053518



Place: Kolkata

Date: July 10, 2020

For and on behalf of the Board of Directors

Vikram Solar Limited

CIN: U18100WB2005PLC106448

Gyanesh Chaudhary

Managing Director

DIN: 00060387

Rajendra Kumar Parakh

Chief Financial Officer

Krishna Kumar Maskara

Wholetime Director

DIN: 01677008

Sudip Chatterjee

Company Secretary

Membership No: A18690

Vikram Solar Limited (formerly known as 'Vikram Solar Private Limited')
Statement of cash flows for the year ended 31 March 2020
(Amount in INR lakhs, unless otherwise stated)

Particulars	Notes	Year ended 31 March 2020	Year ended 31 March 2019
Cash flow from operating activities			
Profit before tax		952.39	5,193.21
Adjustments for:			
Depreciation and amortization expenses		3,336.03	2,791.58
Depreciation on Right of use assets		336.06	-
Finance costs		9,360.44	9,140.55
Finance cost on leasing arrangement		128.25	-
Interest income		-1,405.57	-786.75
Change in fair value of financial assets through FVTPL		-	-1.34
Allowance for expected credit loss		53.35	-97.59
Foreign Exchange Difference		1,572.22	-459.27
Provision for employee benefits		137.24	97.21
Provision for warranties		4.91	112.83
(Profit) / Loss on sale of Property, Plant and equipments		-5.04	-0.58
Operating Profit before working capital changes		14,470.28	15,989.85
Changes in working capital			
Decrease in inventories		-1,939.60	-1,016.30
Increase in financial and non financial liabilities		17,185.93	20,361.61
Decrease in financial and non financial assets		-6,230.67	-8,248.60
Cash generated / (used) in operations		23,485.94	27,086.56
Income tax paid		-391.46	-2,138.54
Net cash flows from / (used) in operating activities (A)		23,094.48	24,948.02
Cash flow from Investing activities			
Payment for acquisition of property, plant and equipment, Capital work in progress, intangible assets under development and intangible assets		-4,451.31	-3,129.75
Proceeds from sale/ disposal of Property, Plant and equipments		51.69	48.41
Intercompany loan given		-8,562.04	-5,354.21
Intercompany loan recovered		8,279.50	5,262.48
Investment in a subsidiary		-99.65	-5.00
Sale of investment in Subsidiary		5.00	-
Investment in Fixed Deposit (net)		-356.94	-1,474.47
Interest received		1,344.86	775.15
Net cash flow used in Investing activities (B)		-3,788.89	-3,877.39
Cash flow from Financing activities			
Proceeds from long term borrowings		-	4,912.92
Repayment of long term borrowings		-2,932.98	-11,114.29
Repayment of lease liabilities		-472.58	-
Increase/(decrease) in short term borrowings		-4,830.76	-4,596.56
Interest paid		-9,195.33	-9,458.92
Net cash flow from / (used) in financing activities (C)		-17,431.65	-20,256.85
Net increase in cash and cash equivalents (A+B+C)		1,873.95	813.78
Cash and cash equivalents at the beginning of the year		1,075.79	262.01
Cash and cash equivalents at the end of the year (Refer Note 11)		2,949.74	1,075.79

Summary of significant accounting policies

2



Vikram Solar Limited (formerly known as 'Vikram Solar Private Limited')
Statement of cash flows for the year ended 31 March 2020
(Amount in INR lakhs, unless otherwise stated)

<u>Changes in liabilities arising from financing activities</u>	01-Apr-19	Cash Flows	Others	31-Mar-20
Short Term borrowings (Note 20)	35,559.75	-4,830.76	-	30,728.99
Non-current borrowings (including Current Maturities) (Note 16)	24,055.36	-2,932.98	-27.70	21,094.68
Total liabilities from financing activities	59,615.11	-7,763.76	-27.70	51,823.67

	01-Apr-18	Cash Flows	Others	31-Mar-19
Short Term borrowings (Note 20)	40,156.31	-4,596.56	-	35,559.75
Non-current borrowings (including Current Maturities) (Note 16)	30,169.64	-6,201.37	87.09	24,055.36
Total liabilities from financing activities	70,325.95	-10,797.93	87.09	59,615.11

The above Statement of Cash Flows has been prepared under the 'Indirect Method' as set out in Ind AS 7, 'Statement of Cash Flows'

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

As per our report of even date

For Singhi & Co.
Chartered Accountants
Firm Registration No.: 302049E

Rajiv Singh
Rajiv Singh
Partner
Membership No: 053518



Place: Kolkata
Date: July 10, 2020

For and on behalf of the Board of Directors
Vikram Solar Limited
CIN: U18100WB2005PLC106448

Gyanesh Chaudhary

Gyanesh Chaudhary
Managing Director
DIN: 00060387

Rajendra Kumar Parakh
Rajendra Kumar Parakh
Chief Financial Officer

Krishna Kumar Maskara
Krishna Kumar Maskara
Wholetime Director
DIN: 01677008

Sudip Chatterjee
Sudip Chatterjee
Company Secretary
Membership No: A18690

Vikram Solar Limited (formerly known as 'Vikram Solar Private Limited')
Statement of changes in equity for the year ended 31 March 2020
(Amount in INR lakhs, unless otherwise stated)

Particulars	Notes	As at 31 March 2020		As at 31 March 2019	
		No. of shares	Amount	No. of shares	Amount
(A) Equity Share capital					
Equity shares of Rs. 10 each issued, subscribed and fully paid					
Opening		2,79,25,000	2,792.50	2,79,25,000	2,792.50
Add: changes during the year		-	-	-	-
Closing		2,79,25,000	2,792.50	2,79,25,000	2,792.50

(B) Other equity

Particulars	Reserves and surplus		Other Comprehensive Income	Total
	Securities premium	Retained earnings	Investment in Subsidiaries at Fair Value through OCI	
Balance as at 31 March 2018	4,272.47	24,794.16	873.10	29,939.73
Profit for the year		3,483.11		3,483.11
Net gain on fair value of Equity Instruments designated at FVTOCI (net of tax)			42.37	42.37
Re-measurement loss on defined benefit plans (net of tax)		-3.90		-3.90
Balance as at 31 March 2019	4,272.47	28,273.37	915.47	33,461.31
Adjustment for IND AS 116 (Refer Note 45)		-211.33		-211.33
Profit for the year		604.35		604.35
Net gain on fair value of Equity Instruments designated at FVTOCI (net of tax)			1,130.39	1,130.39
Re-measurement gain / (loss) on defined benefit plans (net of tax)		2.90		2.90
Balance as at 31 March 2020	4,272.47	28,669.29	2,045.86	34,987.62

Summary of significant accounting policies

2

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

As per our report of even date

For Singhi & Co.
Chartered Accountants
Firm Registration No.: 302049E

Rajiv Singh

Rajiv Singh
Partner
Membership No: 053518



For and on behalf of the Board of Directors
Vikram Solar Limited
CIN: U18100WB2005PLC106448

Gyanesh Chaudhary

Gyanesh Chaudhary
Managing Director
DIN: 00060387

Krishna Kumar Maskara

Krishna Kumar Maskara
Wholetime Director
DIN: 01677008

Place: Kolkata
Date: July 10, 2020

Rajendra Kumar Parakh

Rajendra Kumar Parakh
Chief Financial Officer

Sudip Chatterjee

Sudip Chatterjee
Company Secretary
Membership No: A18690

1 General Information

Vikram Solar Limited ("The Company") is a public limited company, incorporated under the provision of Companies Act, applicable in India. The company was incorporated as private limited company and has been converted into a Public Limited Company with effect from August 22, 2017. The Registered office of the Company is situated at The Chambers, 8th Floor, 1865, Rajdanga Main Road, Kolkata - 700107. The Company is engaged in the business of manufacturing and sale of Solar photovoltaic modules / systems. The manufacturing facilities are situated at Falta Special Economic Zone (SEZ), West Bengal. The Company is also engaged into setting up of the Solar Power Plant / Systems, provides operation and maintenance services and sale of power.

These standalone financials statements were approved and authorised for issue with the resolution of the Board of Directors on July 10, 2020.

2 Basis of Preparation and summary of Significant accounting policies

2.1 Basis of Preparation and Presentation of Financial Statements

This note provides a list of the significant accounting policies adopted in the preparation of these standalone financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

(a) Statement of Compliance with Ind AS

These standalone financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the 'Act') and read with [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act.

(b) Basis of measurement

The financial statements have been prepared on a historical cost convention on accrual basis, except for certain financial instruments measured at fair value as required by relevant Ind AS (Refer Note 2.13 for accounting policy on financial instruments)

All assets and liabilities have been classified as current or non-current as per the Company's operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of operation and the time between the rendering of supply & services and their realization in cash and cash equivalents, the Company has ascertained its operating cycle as twelve months for the purpose of current and noncurrent classification of assets and liabilities.

The financial statements have been reported in Rs. lakhs, except for information pertaining to number of shares and earnings per share information.

(c) Significant accounting judgements, estimates and assumptions

The preparation of financial statements in conformity with Ind AS requires the Management to make judgements, estimates and assumptions that affect the reported amounts and disclosures. The Company based its assumptions and estimates on parameters available when the financial statements were prepared and reviewed at each Balance Sheet date. Uncertainty about these assumptions and estimates could result in outcomes that may require a material adjustment to the reported amounts and disclosures.

(a) Employee benefit plans - Note 2.14 and 32

Post-employment benefits represents obligation that will be settled in the future and require assumptions to project benefit obligations. Post-employment benefit accounting is intended to reflect the recognition of future benefit cost over the employee's approximate service period, based on the terms of plans and the investment and funding decisions made. The accounting requires the company to make assumptions regarding variables such as discount rate, rate of compensation increase and future mortality rates. Changes in these key assumptions can have a significant impact on the defined benefit obligations and benefit costs incurred.

(b) Impairment of trade receivables - Note 2.13.a and 10

The risk of delay collection of accounts receivable is primarily estimated based on prior experience with, and the past due status of debtors, while large accounts are assessed individually based on factors that include ability to pay, bankruptcy and payment history. The assumptions and estimates applied for determining the allowance of expected credit loss are reviewed periodically.

(c) Estimation of expected useful lives and residual values of property, plants and equipment - Note 2.2, 3 and 4

Property, plant and equipment are depreciated at historical cost using straight-line method based on the estimated useful life, taking into account their residual value. The asset's residual value and useful life are based on the Company's best estimates and reviewed, and adjusted if required, at each Balance Sheet date taking into consideration the estimated usage of the assets, operating condition of the assets and anticipated technological changes etc.

(d) Fair Value Measurements

When the fair values of financial assets and financial liabilities recorded in the Balance Sheet cannot be measured based on quoted prices in active markets, their fair values are measured using valuation techniques which involve various judgements and assumptions.

(e) Contingent Liabilities - Note 2.11 and 33

Contingent Liabilities covering a range of matters are pending against the Company. Due to the uncertainty inherent in such matters, it is often difficult to predict the final outcomes. The cases and claims against the Company often raise difficult and complex factual and legal issues that are subject to many uncertainties and complexities, including but not limited to the facts and circumstances of each particular case and claim, the jurisdiction and the differences in applicable law, in the normal course of business, the Company consults with experts on matters related to litigations. The Company accrues a liability when it is determined that an adverse outcome is probable and the amount of the loss can be reasonably estimated. In the event an adverse outcome is possible or an estimate is not determinable, the matter is disclosed.



Vikram Solar Limited (formerly known as 'Vikram Solar Private Limited')
Notes forming part of the Financial Statements as at and for the year ended 31 March 2020

(f) Revenue Recognition

The Company uses the proportionate completion method for recognition of revenue, accounting for unbilled revenue / unearned revenue and contract cost thereon for its turnkey contracts. The percentage of completion is measured by reference to the stage of the projects and contract determined based on the proportion of contract costs incurred for work performed to date bear to the estimated total contract costs. Use of the proportionate completion method requires the Company to estimate the efforts or costs incurred to date as a proportion of the total efforts or cost to be incurred. Significant assumptions are required in determining the stage of completion, the extent of the contract cost incurred, the estimated total contract revenue and contract cost and the recoverability of the contracts. These estimates are based on events existing at the end of each reporting date.

2.2 Property, plant and equipment

Property, Plant and Equipment, Capital Work in Progress is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Cost comprises of purchase price (net of tax credits), borrowing costs, if capitalization criteria are met, commissioning expenses, etc. up to the date the asset is ready for its intended use.

Freehold land is not depreciated.

Expenditure directly attributable to expansion projects is capitalized. Administrative, general overheads and other indirect expenditure (including borrowing costs) incurred during the project period which are not related to the project nor are incidental thereto, are expensed off when that are incurred.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognized when replaced. All other repairs and maintenance are charged to Statement of Profit and Loss during the year in which they are incurred.

Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date is classified as capital advances under other non-current assets and the cost of assets not put to use before such date are disclosed under 'Capital work-in-progress'.

Depreciation methods, estimated useful lives

Depreciation is calculated on a straight-line basis using the rates arrived at based on the useful lives estimated by the management, which are in line with the rates prescribed in the Schedule II of the Companies Act, 2013.

Property, plant and equipment	Useful Life
Building	30 years
Furniture and Fixtures	10 years
Vehicles	8- 10 years
Office Equipment	3-5 years
Plant & Machinery	15 years
Electrical Installation	10 years
Computers & Accessories	3-6 years

The Company, based on technical assessment made by technical expert and management estimate, depreciates certain items of tools, plant & machinery and other handling equipment 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.

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

Depreciation on addition to property plant and equipment is provided on pro-rata basis from the date of acquisition. Depreciation on sale/deduction from property plant and equipment is provided up to the date preceding the date of sale, deduction as the case may be.

Depreciation methods, useful lives and residual values are reviewed periodically at each financial year end and adjusted prospectively, as appropriate.

The Company has adopted Schedule II to the Companies Act, 2013 which requires identification and determination of separate useful life for each major component of the property, plant and equipment, if they have useful life that is materially different from that of the remaining asset.

The carrying amounts of assets are reviewed at each Balance Sheet date to determine if there is any indication of impairment based on external or internal factors. An impairment loss is recognised wherever the carrying amount of an asset exceeds its recoverable amount which represents the greater of the net selling price of assets and their 'value in use'. The estimated future cash flows are discounted to their present value using pre-tax discount rates and risks specific to the asset.

2.3 Intangible Assets

Acquired intangible assets are initially measured at cost and subsequently at cost less accumulated amortization and accumulated impairment loss, if any.

Amortization of Intangible assets

Intangibles are amortized on a straight line basis over the useful lives as given below, which is based on the management estimates.

Intangible assets	Useful life
Computer Software	5 years
Trade Mark & Copyrights	3 years
Product Certifications	3 - 5 years



Vikram Solar Limited (formerly known as 'Vikram Solar Private Limited')

Notes forming part of the Financial Statements as at and for the year ended 31 March 2020

Intangible assets are amortized over their respective useful economic lives and assessed for impairment whenever there is an impairment indicator. The amortization expense and the gain or loss on disposal, is recognized in the statement of profit and loss.

2.4 Rounding off amounts

All amounts disclosed in financial statements and notes have been rounded off to the nearest lakhs as per requirement of Schedule III of the Act, unless otherwise stated.

2.5 Borrowing costs

Borrowing costs that are 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 are capitalized as part of the cost of asset. All other borrowing costs are recognised as expenditure in the period in which they are incurred.

Borrowing cost includes interest, amortization of ancillary costs incurred in connection with the arrangement of borrowings and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

2.6 Foreign Currency Transactions

The Company's functional currency and reporting currency is the same i.e. Indian Rupee(INR).

Initial recognition of transactions in foreign currencies are recorded in reporting currency by the Company at spot rates at the date of transaction.

At the end of each reporting period, Foreign currency monetary items are reported using the closing rate. Exchange differences arising on settlement or translation of monetary items are recognised in Statement of Profit and Loss.

Foreign currency non-monetary items measured at historical cost are translated using the exchange rates at the dates of the initial transactions.

2.7 Revenue Recognition

Sale of goods and rendering of services

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the company expects to be entitled in exchange for those goods or services. The company has concluded that it is the principal in its revenue arrangements because it typically controls the goods or services before transferring them to the customer.

Revenue from sales of goods is recognised at the point in time when control of the asset is transferred to the customer, generally on delivery.

Revenues from turnkey contracts, which are generally time bound fixed price contracts are recognised over the life of the contract using the proportionate completion method with contract costs of determining the degree of completion. Foreseeable losses on such contracts are recognised when probable.

Revenue on installation and commissioning contracts are recognised as per the terms of contract.

Revenue from maintenance contracts are recognised pro rata over the period of the contract.

Other Operating revenues

Exports entitlements are recognised when the right to receive such incentives as per the applicable terms is established, in respect of the exports made and when there is no significant uncertainty regarding the ultimate realisation/ utilization of such incentives.

Other Income

Interest income is recognised using the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument.

Dividend income is recognised when the Company's right to receive dividend is established by the reporting date.

Insurance claims are accounted for on the basis of claims admitted/ expected to be admitted and to the extent there is no uncertainty in receiving the claims.

2.8 Taxes

(a) Current income tax

Current tax assets and liabilities are measured at the amount expected to be recovered or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the year end date. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

(b) Deferred tax



Vikram Solar Limited (formerly known as 'Vikram Solar Private Limited')

Notes forming part of the Financial Statements as at and for the year ended 31 March 2020

Deferred tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in financial statements. Deferred tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the year and are expected to apply when the related deferred tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses and tax credits only if it is probable that future taxable amounts will be available to utilize those temporary differences, losses and tax credits. The carrying amount of deferred tax assets is reviewed at each Balance Sheet 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 offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority.

In the situations where the Company is entitled to a tax holiday under the Income Tax Act, 1961, no deferred tax (asset or liability) is recognised in respect of temporary differences which reverse during the tax holiday period, to the extent the Company's gross total income is subject to the deduction during the tax holiday period. Deferred tax in respect of temporary differences which reverse after the tax holiday period is recognised in the year in which the temporary differences originate. However, the Company restricts the recognition of deferred tax assets to the extent that it has become probable that sufficient future taxable profits will be available against which such deferred tax assets can be realised. For recognition of deferred taxes, the temporary differences which originate first are considered to reverse first.

In case of tax payable as Minimum Alternative Tax ('MAT') under the provisions of the Income-tax Act, 1961, the credit available under the Act in respect of MAT paid is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the period for which the MAT credit can be carried forward for set-off against the normal tax liability. MAT credit recognised as a deferred tax asset is reviewed at each balance sheet date and written down to the extent the aforesaid convincing evidence no longer exists.

Current and deferred tax is recognized in Statement of Profit and Loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

2.9 Leases

Ind AS 116 supersedes Ind AS 17 Leases including its appendices. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to recognise most leases on the balance sheet.

The Company has adopted Ind AS 116 using the modified retrospective method of adoption under the transitional provisions of the Standards and has taken the cumulative adjustment to retained earnings as on 1st April, 2019, which is the date of the first application of the Standard. Accordingly the financial statements for the year ended 31st March, 2019 have not been adjusted. The Company also elected to use the recognition exemptions for lease contracts that, at the commencement date, have a lease term of twelve months or less and do not contain a purchase option (short-term leases), and lease contracts for which the underlying asset is of low value (low-value assets). The impact of adoption of Ind AS 116 on the financial statements of the Company has been described under Note 45.

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

As a lessee

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

(i) Right-of-use assets

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



Vikram Solar Limited (formerly known as 'Vikram Solar Private Limited')
Notes forming part of the Financial Statements as at and for the year ended 31 March 2020

The right-of-use assets are also subject to impairment.

(ii) Lease Liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

Short-term lease and lease of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of twelve months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of offices, godowns, equipment, etc. that are of low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

2.1 Inventories

Raw materials, packaging materials and stores and spare parts are valued at lower of cost and net realizable value. However, material and other items held for use in production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost.

Cost includes purchase price, (excluding those subsequently recoverable by the enterprise from the concerned revenue authorities), freight inwards and other expenditure incurred in bringing such inventories to their present location and condition.

Work in progress and Finished Goods are valued at lower of cost and net realisable value. Cost includes cost of direct materials and direct labour and a proportion of manufacturing overhead based on the normal operating capacity. Cost is determined on monthly weighted average basis.

Net realizable value is the estimated selling price in the ordinary course of business, less the estimated cost of completion and the estimated costs necessary to make the sale.

2.11 Provisions and contingent liabilities

Provisions are recognized when there is 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 there is a reliable estimate of the amount of the obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Balance sheet date.

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

Present obligations arising under onerous contracts are recognised and measured as provisions.

Provisions for the expected cost of warranty obligations on sale of goods are recognised at the date of sale of relevant products, at the Management best estimate of the expenditure required to settle the Company's obligation. These estimates are established using historical information on the nature, frequency and average cost of warranty claims and management estimates regarding possible future incidence based on corrective actions on product failures. The timing of outflows will vary as and when warranty claim will arise.

Disclosure of contingent liability is made 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 or 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.

2.12 Cash and cash equivalents

For the purposes of the cash flow statement and Balance Sheet, Cash and cash equivalent comprise cash at banks, cash 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.

2.13 Financial Instruments

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

(a) Financial assets

Classification

The Company classifies its financial assets in the following measurement categories:

- a) those to be measured subsequently at fair value (either through other comprehensive income (FVOCI), or through profit or loss (FVTPL)), and
- b) those measured at amortised cost.

The classification depends on the Company's business model for managing the financial assets and the contractual terms of cash flows.



Vikram Solar Limited (formerly known as 'Vikram Solar Private Limited')

Notes forming part of the Financial Statements as at and for the year ended 31 March 2020

For assets measured at fair value, gains and losses is either recorded in the statement of profit and loss or other comprehensive income. For investments in debt instruments, this depends on the business model in which the investment is held. For investments in equity instruments, this depends on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income. The Company reclassifies the debt investments when and only when the business model for managing those assets changes.

Measurement

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in the statement of profit and loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Impairment of financial assets

The Company assesses on a forward looking basis, the expected credit losses associated with its assets carrying at amortized cost and FVOCI debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk. For trade receivables only, the Company applies the simplified approach permitted by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

Derecognition of financial assets

A financial asset is derecognised only when

- The Company has transferred the rights to receive cash flows from the financial asset or
- retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Fair value of Financial Instruments

In determining the fair value of financial instruments, the Company uses a variety of method and assumptions that are based on market conditions and risk existing at each reporting date. The methods used to determine fair value includes discounted cash flow analysis and available quoted market prices. All method of assessing fair value result in general approximation of fair value and such value may never actually be realised.

Investments in subsidiaries are stated at fair value. The Company's management has elected to present fair value gains and losses on aforesaid investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to the statement of profit and loss. Investments in units of mutual funds are accounted for at fair value and the changes in fair value are recognised in the Statement of Profit and Loss.

(b) Financial liabilities

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

(i) Borrowings

Borrowings are initially recognized at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost using the effective interest method. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the statement of profit and loss over the period of the borrowings using the effective interest method. Fees paid on loan facilities are recognised as transaction costs of the borrowings to the extent that it is probable that some or all of the facility will be drawn down. Borrowings are derecognised from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired.

(ii) Embedded derivatives

An embedded derivative is a component of a hybrid (combined) instrument that also includes a non-derivative host contract - with the effect that some of the cash flows of the combined instrument vary in a way similar to a standalone derivative. Derivatives embedded in all other host contract are separated if the economic characteristics and risks of the embedded derivative are not closely related to the economic characteristics and risks of the host and are measured at fair value through profit or loss. Embedded derivatives closely related to the host contracts are not separated.

Reassessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required or a reclassification of a financial asset out of the fair value through profit or loss.

2.14 Employee Benefits

A Short term employee benefits

Liabilities for short term employee benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognized in respect of employees' service up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefits payable in the balance sheet.

B Post-employment benefits

(i) Defined contribution plan

Contributions under Defined Contribution Plans payable in keeping with the related schemes are recognised as expenses for the period in which the employee has rendered the service.

(ii) Defined benefit plans

Gratuity: The Company provides for gratuity, a defined benefit plan covering eligible employees in accordance with the Payment of Gratuity Act, 1972. The Gratuity Plan provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary. The Company's liability is actuarially determined (using the Projected Unit Credit method) at the end of each year.



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Re-measurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the Balance Sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Re-measurements are not reclassified to profit or loss in subsequent periods.

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Company recognises the following changes in the net defined benefit obligation as an expense in the Statement of Profit and Loss:

- (i) Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and
- (ii) Net interest expense or income

Compensated absence: The Company provides for the sick leave and encashment of earned leave or leave with pay subject to certain rules. The employees are entitled to accumulate earned leave and sick leave subject to certain limits, for future utilization or encashment. The liabilities for earned leave and sick leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured annually by actuaries as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognized in the statement of profit and loss.

2.15 Government Grants

Government grants are not recognised until there is reasonable assurance that the Company will comply with the conditions attached to them and there is a reasonable certainty that grants will be received.

Government grants are recognised in profit or loss on a systematic basis over the periods in which the Company recognises as expenses 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 profit or loss on a systematic and rational basis over the useful life 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 profit or loss in the period in which they become receivable.

2.16 Derivative financial instruments

The Company enters into foreign exchange forward contracts to manage its exposure to foreign currency risk. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value at the end of each reporting period with changes included in other income / other expense in the Statement of Profit and Loss unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedging relationship and the nature of the hedged item.

2.17 Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker is responsible for allocating resources and assessing performance of the operating segments and has been identified as the Chief Executive Officer (CEO) of the Company. Refer note 37.

2.18 Earnings Per Share

Basic earnings per share is calculated by dividing the net profit or loss before other comprehensive income for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

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

2.19 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

2.20 New Standards / Amendments to Existing Standards issued but not yet effective

The Ministry of Corporate Affairs has not notified new standards or amendments to the existing standards which would have been applicable from 01st April, 2020.



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(Amount in INR lakhs, unless otherwise stated)

3 Property, plant and equipment

	Freehold Land	Building	Plant & Machinery	Furniture & Fixtures	Vehicles	Office Equipment	Electrical Installation	Tools & Equipment	Computers & Accessories	Total
Gross Carrying amount										
As at March 31, 2018	26.26	5,923.33	21,456.64	595.50	456.85	285.49	3,616.34	241.13	422.06	33,023.60
Additions	-	3,431.91	226.67	428.45	20.31	132.95	192.25	946.94	293.33	5,672.81
Disposals / deductions	-	23.44	-	-	10.09	2.87	-	1.33	9.19	46.92
As at March 31, 2019	26.26	9,331.80	21,683.31	1,023.95	467.07	415.57	3,808.59	1,186.74	706.20	38,649.49
Additions	-	366.41	2,817.63	103.56	59.45	48.42	30.55	231.56	82.80	3,740.38
Disposals / deductions	-	-	-	-	50.90	0.79	-	-	-	51.69
As at March 31, 2020	26.26	9,698.21	24,500.94	1,127.51	475.62	463.20	3,839.14	1,418.30	789.00	42,338.18
As at March 31, 2018										
Charge for the year	-	364.13	2,364.20	122.51	46.87	111.48	705.82	33.80	216.10	3,964.91
Disposals / deductions	-	232.91	1,485.66	69.09	69.03	65.87	375.75	33.02	102.97	2,434.30
As at March 31, 2019	-	9.43	-	-	5.20	0.44	-	0.10	5.56	20.73
Charge for the year	-	587.61	3,849.86	191.60	110.70	176.91	1,081.57	66.72	313.51	6,378.48
Disposals / deductions	-	320.75	1,539.74	108.52	65.23	76.64	393.76	124.41	108.94	2,737.99
As at March 31, 2020	-	908.36	5,389.60	300.12	132.59	253.08	1,475.33	191.13	422.45	9,072.66
Net Carrying amount										
As at March 31, 2019	26.26	8,744.19	17,833.45	832.35	356.37	238.66	2,727.02	1,120.02	392.69	32,271.01
As at March 31, 2020	26.26	8,789.85	19,111.34	827.39	343.03	210.12	2,363.81	1,227.17	366.55	33,265.52

(a) Property, Plant and Equipment are pledged against the borrowings obtained by the Company as explained in Note 16 and Note 20 to the Financial Statements.
(b) Title deeds of the above freehold land and building are held in the name of the Company.



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3A Right of use assets*

	Right of use	Total
Gross Carrying amount		
As at March 31, 2018	-	-
Additions	-	-
Disposals / deductions	-	-
As at March 31, 2019	-	-
As at April 1, 2019	1,110.51	1,110.51
Additions	-	-
Disposals / deductions	-	-
As at March 31, 2020	1,110.51	1,110.51
Depreciation		
As at March 31, 2018	-	-
Charge for the year	-	-
Disposals / deductions	-	-
As at March 31, 2019	-	-
As at April 1, 2019	-	-
Charge for the year	336.06	336.06
Disposals / deductions	-	-
As at March 31, 2020	336.06	336.06
Net Carrying amount		
As at March 31, 2019	-	-
As at March 31, 2020	774.45	774.45

(a) Right of use assets includes building.



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4 Intangible assets

	Computer Software	Trade Mark & Copyrights	Product Certifications	Total
Gross Carrying amount				
As at March 31, 2018	498.00	43.04	718.92	1,259.96
Additions	446.55	38.03	281.16	765.74
Disposals / deductions	1.49	-	-	1.49
As at March 31, 2019	943.06	81.07	1,000.08	2,024.21
Additions	379.31	5.12	551.91	936.34
Disposals / deductions	-	-	-	-
As at March 31, 2020	1,322.37	86.19	1,551.99	2,960.55
Amortisation				
As at March 31, 2018	151.93	4.74	251.64	408.31
Charge for the year	133.55	5.33	218.40	357.28
Disposals / deductions	0.70	-	-	0.70
As at March 31, 2019	284.78	10.07	470.04	764.89
Charge for the year	226.05	10.35	361.64	598.04
Disposals / deductions	-	-	-	-
As at March 31, 2020	510.83	20.42	831.68	1,362.93

Net Carrying amount				
As at March 31, 2019	658.28	71.00	530.04	1,259.32
As at March 31, 2020	811.54	65.77	720.31	1,597.62



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	As at 31 March 2020	As at 31 March 2019
5 Investments		
<u>Investment in Subsidiaries</u>		
Investment in equity shares, fully paid up (Unquoted, at fair value through OCI)		
VP Utilities & Services Pvt. Ltd. [10,000 (31 March 2019 10,000) Equity Shares of Rs 10 each]	1.00	1.00
VSL Ventures Pvt Ltd [NIL shares (31 March 2019 :50000 shares) of Rs. 10 each]	-	5.00
Vikram Solar Gmbh [100% shares (31 March 2019 :100% shares)]	-	648.05
Vikram Solar Pte. Ltd. [30000 shares (31 March 2019 : 30000 shares) of USD 1 each]	95.53	20.89
Vikram Solar RE Power Pvt. Ltd. [100000 shares (31 March 2019 : Nil shares) of Rs 10 each]	10.00	-
Vikram Solar Green Pvt. Ltd. [100000 shares (31 March 2019 : Nil shares) of Rs 10 each]	10.00	
Vikram Solar Foundation [50000 shares (31 March 2019 : Nil shares) of Rs 10 each]	5.00	-
Vikram Solar Cleantech Pvt. Ltd[50000 shares (31 March 2019 : Nil shares) of Rs 10 each]	5.00	-
Indriya LabsPvt. Ltd[10000 shares (31 March 2019 : Nil shares) of Rs 10 each]	1.00	-
Vikram Solar US Inc. [16 shares(31 March 2019 : 16 shares) of USD 1000 each]	2,692.05	576.30
	<u>2,819.58</u>	<u>1,251.24</u>
Investment in mutual funds (Unquoted, at Fair Value through Profit and Loss)		
Nil units (31 March 2019 150,000 units) of Union Capital Protection Oriented Fund Series-7 (Growth)	-	17.22
	<u>2,819.58</u>	<u>1,268.46</u>
Aggregate amount of unquoted investments	2,819.58	1,268.46

5.1 Refer Note 38 and 39 for information about fair value measurements.



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	As at 31 March 2020	As at 31 March 2019
6 Loans (at amortised cost)		
<u>Unsecured, considered good</u>		
Non Current		
Security deposits	215.92	156.27
	<u>215.92</u>	<u>156.27</u>
Current		
Loan to subsidiaries*	496.30	588.52
Loan to Others	282.54	-
Security deposits	253.69	230.00
	<u>1,032.53</u>	<u>818.52</u>
* There is no significant increase in Credit risk in respect of loan to subsidiary		
7 Other Financial Assets (at amortised cost)		
<u>Unsecured, considered good</u>		
Non Current		
Amount due from Grantor* (TTD)	5,545.32	4,938.86
	<u>5,545.32</u>	<u>4,938.86</u>
Current		
Amount due from Grantor* (TTD)	679.38	688.99
Claims & Refunds Receivable**	11,786.29	7,231.96
Export Incentive Receivable	1,505.69	930.61
Interest Receivable	262.89	202.18
Capital subsidy receivable \$	451.31	2,239.36
Unbilled Revenue	3,346.51	76.05
Receivables from sale of investments	11.38	11.38
	<u>18,043.45</u>	<u>11,380.53</u>
* Refer Note No. 35 E		
** Refer Note No. 44 (on safeguard duty)		
\$ Refer Note No. 34		
8 Other assets		
<u>Unsecured, considered good</u>		
Non Current		
Capital Advances	531.04	496.43
Prepaid expenses	138.72	32.25
	<u>669.76</u>	<u>528.68</u>
Current		
Advance to Suppliers	1,210.60	1,859.18
Advance to Staff*	147.18	32.13
Balance with Revenue authorities	2,779.90	2,027.69
Prepaid Expenses	639.96	993.68
	<u>4,777.64</u>	<u>4,912.68</u>
* include Rs.10.33 lakhs due from an officer of the Company.		
9 Inventories		
(At Lower of cost and net realisable value)		
Raw material	13,829.27	8,593.58
Work in progress	1,482.59	2,414.69
Finished goods	5,994.14	8,597.89
Store and spares parts including packing material	1,247.69	1,007.93
	<u>22,553.69</u>	<u>20,614.09</u>

9.1 Inventories are hypothecated against borrowing. Refer Note. 20 & 16.



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	As at 31 March 2020	As at 31 March 2019
10 Trade receivables (at amortised cost)		
Unsecured, considered good	52,550.51	54,936.17
Trade Receivables which have significant increase in Credit Risk	342.76	342.76
Less: Allowance for expected credit loss (including against trade receivable which have significant credit risk)	-1,220.53	-1,167.18
	<u>51,672.74</u>	<u>54,111.75</u>
10.1 Trade receivables are hypothecated against borrowing. Refer Note. 20 & 16.		
10.2 Expected credit loss allowances		
Particulars		
Balances at the beginning of the year	1,167.18	1,264.77
Movement in Allowance for expected credit loss	53.35	-97.59
Balances at the end of the year	<u>1,220.53</u>	<u>1,167.18</u>
11 Cash and bank balances		
<u>Cash and cash equivalents</u>		
Balances with banks		
On current / cash credit accounts	1,679.77	1,007.98
Cheques on hand	1,200.00	-
Cash in hand	69.97	67.81
	<u>2,949.74</u>	<u>1,075.79</u>
12 Bank balances other than Cash and cash equivalents		
Deposits with banks as margin money	9,044.87	8,687.94
	<u>9,044.87</u>	<u>8,687.94</u>
13 Current tax assets		
Income tax (net of provisions Rs.8,482.00 lakhs (Previous Year(Rs.8,310 lakhs))	1,786.58	1,567.12
	<u>1,786.58</u>	<u>1,567.12</u>



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	As at 31 March 2020	As at 31 March 2019
14 Equity share capital		
The Company has only one class of equity share capital having a par value of Rs. 10 per share, referred to herein as equity shares.		
<u>Authorized</u>		
33,000,000 shares (31 March 2019: 33,000,000) equity Shares of Rs.10 each	3,300.00	3,300.00
	<u>3,300.00</u>	<u>3,300.00</u>
<u>Issued, subscribed and paid up</u>		
27,925,000 shares(31 March 2019: 27,925,000) equity Shares of Rs.10 each	2,792.50	2,792.50
	<u>2,792.50</u>	<u>2,792.50</u>

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

	As at 31 March 2020		As at 31 March 2019	
	Number of shares	Amount	Number of shares	Amount
Outstanding at the beginning of the year	2,79,25,000	2,792.50	2,79,25,000	2,792.50
Add: Changes during the year	-	-	-	-
Outstanding at the end of the year	<u>2,79,25,000</u>	<u>2,792.50</u>	<u>2,79,25,000</u>	<u>2,792.50</u>

(b) Rights, preferences and restrictions attached to shares

Equity Shares: The Company has only one class of equity shares having par value of Rs.10 per share. Each shareholder is entitled to one vote per share held. Dividend if any declared is payable in Indian Rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

(c) Details of shares held by shareholders holding more than 5% of the aggregate shares in the

Name of the shareholder	As at 31 March 2020		As at 31 March 2019	
	Number of shares	% of holding in the class	Number of shares	% of holding in the class
a) Vikram Capital Management Ltd.	55,62,000	19.92%	55,62,000	19.92%
b) Vikram Nuvotech India Pvt. Ltd.*	53,32,500	19.10%	53,32,500	19.10%
c) Monoflink Trexim (P) Ltd.	47,00,400	16.83%	45,53,400	16.31%

* Formerly known as Pioneer Syntex Pvt. Ltd.

As per records of the company, including its register of shareholders / members and other declaration received from shareholders, the above shareholding represents legal ownership of shares.

	As at 31 March 2020	As at 31 March 2019
15 Other equity		
(A) Securities premium	4,272.47	4,272.47
Securities premium reserve is created when shares are issued at premium. The reserve is utilised in accordance with the provisions of Section 52 of the Companies Act, 2013.		
	<u>4,272.47</u>	<u>4,272.47</u>
(B) Retained Earnings		
Opening balance	28,273.37	24,794.16
Adjustment for IND AS 116 (Refer Note 45)	-211.33	
Add: Net profit for the current year	604.35	3,483.11
Less: Re-measurement gain / (loss) on post employment benefit obligation (net of tax)	2.90	-3.90
Closing balance	<u>28,669.29</u>	<u>28,273.37</u>
(C) Other Comprehensive Income		
It represents the cumulative gains/ (losses) arising on the revaluation of investments in subsidiaries which are measured at fair value through OCI.		
Opening balance	915.47	873.10
Add: Net gain on investments in equity share accounted at Fair Value (net of tax)	1,130.39	42.37
Closing balance	<u>2,045.86</u>	<u>915.47</u>
	<u>34,987.62</u>	<u>33,461.31</u>



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	As at 31 March 2020	As at 31 March 2019
16 Non - current borrowings (at amortised cost)		
<u>Secured Loans</u>		
Term Loan from Banks	16,154.06	19,130.82
Less: Current Maturities of Term Loan	-2,384.86	-3,686.44
	<u>13,769.20</u>	<u>15,444.38</u>
Hire Purchase Loans	-	11.62
Less : Current Maturities of Hire Purchase Loans	-	-11.62
	<u>-</u>	<u>-</u>
<u>Unsecured Loans</u>		
From Bodies Corporate and others	4,940.62	4,912.92
	<u>18,709.82</u>	<u>20,357.30</u>

Nature of security

Term Loans aggregating to Rs. 21.41 lakhs are secured by first charge on property, plant and equipments (except specifically charged assets) of company's solar PV module manufacturing unit (Unit I) at Falta SEZ, South 24 Parganas.

Term Loans aggregating to Rs. 12,853.91 lakhs are secured by first charge on property, plant and equipments (except specifically charged assets) of company's solar PV module manufacturing unit (Unit II) at Falta SEZ, South 24 Parganas.

Term Loan amounting to Rs. 2,706.48 lakhs are secured by first charge on other financial assets i.e. 10 MW Solar Power Plant at village Kosuvaripalli, Chittoor District, Andhra Pradesh.

The above loans are also secured by second charge on current assets of the company and personal guarantees of some of the Directors of the company.

Term loan of Rs. 572.26 lakhs is secured by hypothecation of property situated at Kolkata.

Terms of repayment

Unit -I

Term Loan of Rs. 21.41 lakhs is repayable in September 2020.

Unit -II

Term Loan aggregating to Rs. 4,336.55 lakhs is repayable in 28 equal quarterly instalments starting from December 2016. Term Loan aggregating to Rs. 8,517.36 lakhs is repayable in 28 equal quarterly instalments starting from June 2018.

10 MW Solar Power Plant

Term loan aggregating to Rs. 2,706.48 is repayable in 56 equal quarterly instalments of Rs. 62.50 lakhs starting from June 2017.

Others

Term loan aggregating to Rs. 572.26 lakhs is repayable in 180 equal instalments of Rs. 6.46 lakhs starting from April, 2017 .

Term Loan (Unsecured) aggregating to Rs. 4,940.62 lakhs is repayable after 3 years from the date of First reimbursement i.e. 27th March, 2019 or 60 days prior before the expiry of an unconditional irrevocable bank guarantee issued against the aforesaid loan.



	As at 31 March 2020	As at 31 March 2019
17 Other financial liabilities (at amortised cost)		
Current		
Current Maturities of Term Loans	2,384.86	3,686.44
Current Maturities of Hire Purchase Loans	-	11.62
Interest Accrued but not due on Borrowings	468.90	139.74
Creditors for Others	829.05	371.43
Creditor for Capital Goods	461.32	430.83
	<u>4,144.13</u>	<u>4,640.06</u>
18 Provisions		
Non Current		
Provision for warranties	109.02	105.48
Provision for compensated absences	149.10	127.48
Provision for gratuity*	255.84	220.82
	<u>513.96</u>	<u>453.78</u>
Current		
Provision for warranties	8.72	7.35
Provision for compensated absences	11.77	10.66
Provision for Gratuity*	8.72	8.15
	<u>29.21</u>	<u>26.16</u>
* Refer Note 32		
18.A Provision for warranties		
Balance as at the beginning of the year	112.83	-
Provision made during the year	4.91	112.83
Amount incurred / utilized during the year	-	-
Balance as at the end of the year	<u>117.74</u>	<u>112.83</u>
Provision for warranty claims represents present value of the management's best estimate of the future outflow of economic benefits that will be required under the Company's obligations for warranties under sale of products. The estimates has been made on the basis of historical trends and may vary as a result of new materials, altered manufacturing processes or other events affecting product quality.		
Further, company's product namely Solar PV Modules carries performance warranty of up to 25 - 27 years from the date of supply. A fair estimate of future liability that may arise on this account is not ascertainable and hence not provided.		
19 Deferred tax liabilities (net)		
(a) <i>Deferred tax liability on account of:</i>		
(i) Property, plant and equipments and Intangible Assets	8,053.12	7,765.03
(ii) Fair Value of investment through Other Comprehensive Income	620.57	277.26
(iii) Others	-	-
Total	<u>8,673.69</u>	<u>8,042.29</u>
(b) <i>Deferred tax asset on account of:</i>		
(i) Items allowable for tax purpose on payments/ adjustment	148.66	128.28
(ii) Minimum Alternative Tax credit	6,005.00	5,833.00
(iii) Unabsorbed Depreciation	154.08	228.83
(iv) Allowance for expected credit loss	426.50	407.86
(v) Others	212.12	124.39
Total	<u>6,946.36</u>	<u>6,722.36</u>
Net Deferred tax liabilities [a-b]	<u>1,727.33</u>	<u>1,319.93</u>
19A Details of treatment of Deferred tax		
Opening Deferred Tax liabilities / (assets)	1,319.93	719.05
Add: Deferred Tax on opening adjustment for IND AS 116	-113.51	-
Add : Deferred tax during the year routed through Profit and Loss	348.04	1,710.10
Add : Minimum Alternative Tax	-172.00	-1,120.00
Add : Deferred tax during the year routed through Other comprehensive income	344.87	10.78
Closing Deferred Tax liabilities / (assets)	<u>1,727.33</u>	<u>1,319.93</u>
19B Reconciliation of statutory rate of tax and effective rate of tax:		
Profit before income tax	952.39	5,193.21
Enacted income tax rate in India	34.94%	34.94%
Current tax provision on Profit before income tax at enacted income tax rate in India	332.80	1,814.71
Adjustments:		
Tax on Allowances / incentives allowed under Income Tax act	7.33	-1.92
Non deductible expenses for tax purposes	7.91	-102.69
Other items	348.04	1,710.10



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	As at 31 March 2020	As at 31 March 2019
20 Short -term borrowings (at amortised cost)		
Working Capital Loans- Secured	30,728.99	35,559.75
Cash Credit and working capital demand loan from Bank	<u>30,728.99</u>	<u>35,559.75</u>
<p>Working capital loan are secured by first charge on current assets of the company and second charge on fixed assets (except specifically charged assets) of company's solar PV module manufacturing units (Unit I & Unit II) at Falta SEZ, South 24 Parganas and also by personal guarantee of some of the directors of the company.</p>		
21 Trade payables (at amortized cost)		
Total outstanding dues of micro enterprises and small enterprises	2,998.58	958.27
Total outstanding dues of creditors other than micro enterprises and small enterprises	<u>45,893.46</u>	<u>38,595.11</u>
	<u>48,892.04</u>	<u>39,553.38</u>
21.1 Disclosure for micro enterprises and small enterprises		
(i) The Principal amount and interest due there on remaining unpaid to suppliers under Micro, Small and Medium Enterprises Development Act, 2006		
- Principal	2,990.83	954.22
- Interest	7.75	4.05
(ii) The amount of interest paid by the buyer under Micro, Small and Medium Enterprises Development Act, 2006, along with the amounts of payment made to suppliers beyond the appointed day during the year		
- Principal	-	-
- Interest	-	-
(iii) 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 Micro, Small and Medium Enterprises Development Act, 2006		
- Principal	-	-
- Interest	-	-
(iv) The amount of interest accrued and remaining unpaid at the end of the year	11.80	4.05
(v) The amount of further interest remaining due and payable even in the succeeding years, until such date when interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as deductible expenditure under Section 23	-	-
22 Other current liabilities		
Non Current	7,632.88	2,428.99
Advance from customers	<u>7,632.88</u>	<u>2,428.99</u>
Current		
Advance from customers	4,434.59	1,788.46
Unearned Revenue	172.74	244.67
Statutory dues	<u>175.10</u>	<u>196.71</u>
	<u>4,782.43</u>	<u>2,229.84</u>



Vikram Solar Limited (formerly known as 'Vikram Solar Private Limited')
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	For the year ended 31 March 2020	For the year ended 31 March 2019
23 Revenue from operations		
Sale of Goods*	1,46,720.80	1,79,315.92
Sale of Services*	4,008.03	13,521.53
Other Operating Revenues		
Export Incentive	1,228.78	958.48
	1,51,957.61	1,93,795.93
* Refer Note 35		
24 Other income		
Interest income on financial assets at amortised cost		
- on fixed deposits	591.96	467.75
- on service concession agreement (Refer Note 35E)	325.32	436.51
- on others	813.61	319.01
Change in fair value of financial assets through FVTPL	-	1.34
Profit on sale of Mutual Fund	0.72	-
Business Support Services	452.55	-
Government Grant related to property, plant and equipment (Refer Note 34)	143.74	143.74
Profit on Sale of property, plant and equipments	5.04	0.58
Miscellaneous income	125.39	69.82
	2,458.33	1,438.75
25 Cost of materials and services		
Cost of materials and services	1,15,344.34	1,58,168.34
	1,15,344.34	1,58,168.34
26 Changes in inventories of finished goods and work-in-progress		
Inventories at the beginning of the year		
- Finished goods	8,597.89	7,183.12
- Work-in-progress	2,414.69	1,581.59
	11,012.58	8,764.71
Less: Inventories at the end of the year		
- Finished goods	5,994.14	8,597.89
- Work-in-progress	1,482.59	2,414.69
	7,476.73	11,012.58
Net decrease/ (increase) in inventory	3,535.85	-2,247.87
27 Employee benefits expense		
Salaries, wages, bonus and other allowances	7,287.67	7,010.72
Gratuity	81.99	63.41
Contribution to Provident Fund and other funds	262.52	269.75
Staff welfare expenses	251.23	366.45
	7,883.41	7,710.33
28 Finance costs		
Interest Expenses	7,740.31	7,819.51
Interest expenses for leasing arrangement	128.25	-
Other borrowing costs	1,756.47	1,417.05
Less: Capitalized during the year	-136.35	-96.01
	9,488.68	9,140.55
29 Depreciation and amortization expense		
Depreciation on Plant, Property and Equipments (Refer note 3)	2,737.99	2,434.30
Depreciation on Right of use assets (Refer note 3A)	336.06	-
Amortization (Refer note 4)	598.04	357.28
	3,672.09	2,791.58



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	For the year ended 31 March 2020	For the year ended 31 March 2019
30 Other expenses		
Consumption of packing materials and stores & spares	2,599.15	2,873.80
Freight and Warehousing	3,607.28	3,191.02
Power and Fuel	799.61	874.18
Insurance	210.54	351.80
Rent	110.50	414.02
Rates and taxes	69.59	93.15
Repairs and maintenance		
-Building	5.06	11.06
-Plant and Machinery	77.33	87.98
-Others	311.33	481.67
Professional Fees	870.05	1,029.65
Payment to Auditors (Refer Note 30.1 below)	24.59	19.84
Travelling and conveyance	815.03	1,182.49
Marketing and selling Expenses	662.44	771.28
Corporate Social Responsibility expenditure	23.98	5.50
Loss on sale / disposal of property, plant and equipment	-	0.00
Allowance for expected credit loss	53.35	-97.59
Foreign exchange fluctuation (net)	2,249.98	1,414.79
Security and other manpower services	488.44	1,110.00
Provision for warranties	4.91	112.83
Miscellaneous expenses	556.02	551.07
	13,539.18	14,478.54
30.1 Break-up of remuneration to auditors (exclusive of taxes):		
Statutory audit	19.00	19.00
Tax audit	3.00	-
Others	2.59	0.84
	24.59	19.84



31 Earnings per share

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

	31st March 2020	31st March 2019
Net profit after tax as per Statement of Profit & Loss attributable to equity shareholders	604.35	3,483.11
Weighted average no. of equity shares	2,79,25,000	2,79,25,000
Basic and diluted Earning per share (EPS) [In Rs.] [Face Value Rs. 10/-]	2.16	12.47

Note: The Company does not have any outstanding equity instruments which are dilutive.

32 Employee benefits

(A) Defined Contribution Plans

The Company has provident fund plans for all the employees of the company. Contributions are made to provident fund in India for employees at the rate of 12% of basic salary subject to statutory limits. The obligation of the Company is limited to the amount contributed and it has no further contractual nor any constructive obligation. The expense recognised during the period towards defined contribution plan is Rs. 201.95 Lakhs (31 March 2019- Rs. 178.96 Lakhs).

(B) Defined benefit plans

(a) Leave Obligations

The Company provides for the encashment of leave or leave with pay subject to certain rules. The employees are entitled to accumulate leave subject to certain limits, for future encashment. The liability is provided based on the number days of unutilised leave at each balance sheet date on the basis of year-end actuarial valuation using projected unit credit method. The scheme is unfunded.

Based on past experience and in keeping with Company's practice, the Company does not expect all employees to take the full amount of accrued leave or require payment within the next 12 months and accordingly the total year end provision determined on actuarial valuation, as aforesaid is classified between current and non current.

(b) Gratuity

The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service is entitled to Gratuity on terms not less favourable than the provisions of The Payment of Gratuity Act, 1972. The scheme is unfunded.

The following tables summarise the components of net benefit expense recognised in the Statement of Profit and Loss and amounts recognised in the Balance Sheet for Post - retirement benefits plan.

	Employee's gratuity fund	
	31st March 2020	31st March 2019
i) Expenses recognised in the Statement of Profit and Loss		
Current service cost	65.95	58.02
Past service cost	-	-7.22
Interest cost	16.04	12.61
Total	81.99	63.41
Expenses recognised in OCI		
Actuarial losses		
- (Gain)/loss from change in financial assumptions	24.06	-
- (Gain)/loss from experience adjustments	-28.52	5.99
Total expense / (gain)	-4.46	5.99
Expenses for the above mentioned employee benefits have been disclosed in Note 27 under head "Salaries, wages, bonus and other allowances". Actuarial gain / (loss) of INR 4.46 lakhs (31 March 2018: INR -5.99 lakhs) is included in other comprehensive income.		
ii) Net Liabilities recognized in the Balance Sheet:		
Present value of defined benefit obligation	264.56	228.97
iii) Changes in the present value of defined benefit obligation		
Present value of defined benefit obligation at the beginning of the year	228.97	168.09
Current service cost	65.95	58.02
Past service cost	-	-7.22
Interest cost	16.04	12.61
Acquisitions credit / (cost)	-5.21	
Actuarial loss on obligations	-4.46	5.99
Benefits paid	-36.73	-8.52
Present value of defined benefit obligation at the end of the year	264.56	228.97



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	31st March 2020	31st March 2019
iv) Actuarial assumptions		
Discount rate (per annum)	6.70%	7.70%
Rate of increase in Salary	0% for first year, 5% thereafter	5.00%
Mortality table	Indian Assured Lives Mortality (2006-08) (Modified) Ult.	Indian Assured Lives Mortality (2006-08) (Modified) Ult.
Attrition rate	2.00%	2.00%

v) Risk Exposures

i) Interest Rate Risk : The defined benefit obligation calculated uses a discount rate based on government bonds. If bond yields fall, the defined benefit obligation will tend to increase.

ii) Salary Inflation risk : Higher than expected increases in salary will increase the defined benefit obligation.

iii) Demographic risk : This is the risk of variability of results due to unsystematic nature of decrements that include mortality, withdrawal, disability and retirement. The effect of these decrements on the defined benefit obligation is not straight forward and depends upon the combination of salary increase, discount rate and vesting criteria. It is important not to overstate withdrawals because in the financial analysis the retirement benefit of a short career employee typically costs less per year as compared to a long service employee.

vi) Impact of change in significant assumptions on defined benefit obligations is shown below:

	31st March 2020		31st March 2019	
	1% increase	1% decrease	1% increase	1% decrease
Discount rate	-34.49	42.44	-29.48	36.30
Rate of Increase in salary	39.97	-29.08	34.50	-28.70

vii) Maturity profile of defined benefit obligation (without discounting)

	Employee's gratuity fund	
	31st March 2020	31st March 2019
Expected benefit payments for the year ending		
Not later than 1 year	9.01	8.46
Later than 1 year and not later than 5 years	78.49	62.13
More than 5 years	200.61	247.60

33 Contingent Liabilities and Commitments (to the extent not provided for)

	As at	As at
	31st March 2020	31st March 2019
(i) Contingent liabilities		
Claims against the company not acknowledged as debt		
Income tax demand	209.82	377.62
VAT, CST, GST and Entry tax	1,566.52	1,415.69
Safeguard Duty on imports	1,020.35	1,020.35
	<u>2,796.69</u>	<u>2,813.66</u>

These cases are pending at various forums with the respective authorities. Outflow, if any, arising out of the claims would depend upon the outcome of the decision of the appellate authorities and the Company's right for future appears before Judiciary.

The Company does not expect any reimbursement in respect of above contingent liabilities.

(ii) Capital and other commitments

Unexecuted capital contracts to be provided	3,676.66	1,861.56
	<u>3,676.66</u>	<u>1,861.56</u>



34 **Deferred Income from Grant**

The Company had applied for Modified Special Incentive Package Scheme(M-SIPS) in earlier years, wherein the Company is entitled to capital subsidy on eligible investments in SEZ. The incentive is provided on reimbursement basis. During the year ended 31st March, 2018, the Company had obtained approval from the competent approving authority for capital subsidy form Government of India under M-SIPS scheme. Grant receivable has been recognised by the Company as deferred revenue in the balance sheet and transferred to profit or loss on a systematic and rational basis over the useful life of the related assets.

	31st March 2020	31st March 2019
Opening Deferred Income from Grant	1,952.39	2,095.34
Recognised during the year	-	0.79
Less: Transfer to Statement of Profit and Loss	-143.74	-143.74
Closing Deferred Income from Grant	1,808.65	1,952.39
Non-Current Deferred income from Grant	1,664.91	1,808.65
Current Deferred Income from Grant	143.74	143.74

35 **Revenue from Contracts with Customers**

A **Details of revenue with customer**

Sale of Goods	1,46,720.80	1,79,315.92
Sale of Services	4,008.03	13,521.53
Total Revenue as per Contracted Price	1,50,728.83	1,92,837.45

B The following table provides details of Company revenue from contract with customer

Timing of revenue recognition		
- Goods transferred at a point in time	1,06,417.74	81,902.10
- Goods / Services transferred over time	44,311.09	1,10,935.36
Total	1,50,728.83	1,92,837.45
India	1,15,231.31	1,70,945.37
Outside India	35,497.52	21,892.08
Total	1,50,728.83	1,92,837.45

C **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 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.

D The following table provides Information about contract asset and contract liabilities from contract with customers:

Particulars	31st March 2020	31st March 2019
(i) Contract Assets and liabilities as at 1st April (excluding trade receivable and trade payable)		
- Advances from EPC Customers as at April 1	2,494.47	4,180.69
- Advances from Other Customers as at April 1	1,722.98	-
- Unbilled revenue as at April 1	76.05	-
- Unearned revenue as at April 1	244.67	1,804.10
(ii) Revenue recognized during the year from contract	41,497.18	1,09,131.26
(iii) Revenue recognized during the year that was included in the contract liability at April 1 (excluding Advance from Customer)	168.62	1,804.10
(iv) Contract Assets and liabilities as at March 31 (excluding trade receivable and trade payable)		
- Advances from EPC Customers as at March 31	232.71	2,494.47
- Advances from Other Customers as at March 31	11,834.76	1,722.98
- Unbilled revenue as at March 31	3,346.51	76.05
- Unearned revenue as at March 31	172.74	244.67

Note: Contract asset is the right to consideration in exchange for goods or services transferred to the customer. Contract liability is the entity's obligation to transfer goods or services to a customer for which the entity has received consideration from the customer in advance. Contract assets are transferred to receivables when the rights become unconditional and contract liabilities are recognized as and when the performance obligation is satisfied.

E The Company had entered into Power Purchase Agreement with Tirumala Tirupati Devasthanams (Grantor) for installation and operation of Solar power plant under Build Own Operate and Transfer (BOOT) system, under which the Company shall be entitled to income from sale of power generated from such plant at an agreed per unit rate. The Company shall transfer the plant to the grantor at the end of the operation period. Above arrangement classifies as service concession arrangement under Ind AS 115 and hence has been accounted for as financial asset model.

Key details of the agreement are given below:

Construction period	1 year
Operation period	21 years
Capacity of Solar Power Plant	10 MW

Revenue and profits recognised towards construction services:

	31st March 2020	31st March 2019
(i) Revenue recognised for the financial year	827.97	117.54
(ii) Profit recognised for the financial year	39.43	5.60



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36 Related Party Disclosures

36.1 Names of related parties and description of relationship:

I. Where control exists

(a) The Company has following subsidiaries and step down subsidiaries :-

	Place of Incorporation	% of holdings	
		As at 31 March, 2020	As at 31 March, 2019
1 Vikram Solar GmbH	Germany	100.00%	100.00%
2 Solarcode Vikram Management GmbH **	Germany	100.00%	100.00%
3 Solarcode Vikram Solarkraftwerk 1 GmbH & Co KG**	Germany	100.00%	100.00%
4 Vikram Solar Foundation (w.e.f 31.10.2019)	India	100.00%	-
5 Vikram Solar Cleantech Pvt Ltd (w.e.f 09.04.2019)	India	100.00%	-
6 VSL Green Power Private Ltd (w.e.f 19.11.2019)	India	100.00%	-
7 Vikram Solar RE Power (P) Ltd. (w.e.f 19.11.2019)	India	100.00%	-
8 Indriya Labs (P) Ltd (w.e.f 04.06.2019)	India	100.00%	-
9 VP Utilities & Services Pvt. Ltd.	India	100.00%	100.00%
10 VSL Venture Private Ltd (ceased to be a subsidiary on 31.03.2020)	India	-	100.00%
11 VSL Logistics Solution Private Ltd (ceased to be a subsidiary on 31.03.2020)#	India	-	-
12 Vikram Solar US Inc.	U.S	100.00%	100.00%
13 Vikram Solar Pte. Ltd.	Singapore	100.00%	100.00%

** Subsidiary of Vikram Solar GMBH

Subsidiary of VSL Venture Private Ltd

II. Others

(a) Key Management Personnel

- 1 Shri. Hari Krishna Chaudhary - Chairman
- 2 Shri. Anil Chaudhary - Non-Executive Director
- 3 Shri. Gyanesh Chaudhary - Managing Director
- 4 Mr. Krishna Kumar Maskara - Whole time Director
- 5 Mr. Probir Roy - Independent Director (w.e.f 27th March, 2019)
- 6 Mr. Joginder Pal Dua - Independent Director
- 7 Mr. Vikram Swarup - Independent Director
- 8 Ms. Mamta Binani (ceased to be director w.e.f 11th July, 2018)

(b) Relatives of Key Management Personnel

- 1 Smt. Urmila Chaudhary (wife of Shri Hari Krishna Chaudhary)

(c) Company in respect of which KMP has significant influence

- 1 Yashvi Art Foundation India
- 2 Vikram Solar Energy Solutions GmbH Germany



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36.2 Details of transactions with related party in the ordinary course of business during the year:

	For the year ended 31 March 2020	For the year ended 31 March 2019
(a) <u>Subsidiary and step down subsidiary Companies</u>		
(i) Sale of goods/services		
Vikram Solar US Inc	27,927.61	14,194.37
VP Utilities & Services Pvt Ltd	400.00	-
(ii) Purchase of goods/services		
VP Utilities & Services Pvt Ltd	1,672.57	-
(iii) Sales commission		
Vikram Solar GmbH	140.43	288.07
(v) Loan given		
VP Utilities & Services Pvt Ltd	-	414.21
VSL Green Power Private Limited	2.07	-
Vikram Solar RE Power (P) Ltd.	2.08	-
Vikram Solar Cleantech Pvt Ltd	6.21	-
Vikram Solar Foundation	4.90	-
Vikram Solar Pte. Ltd.	94.25	-
(vi) Loan recovered		
VP Utilities & Services Pvt Ltd	249.75	254.59
VSL Green Power Private Limited	2.07	-
Vikram Solar RE Power (P) Ltd.	2.08	-
Vikram Solar Foundation	4.90	-
Vikram Solar US Inc	-	67.89
(vii) Interest Income		
VP Utilities & Services Pvt Ltd	-	15.85
VSL Ventures Pvt Ltd	4.64	-
Vikram Solar Cleantech Pvt Ltd	1.34	-
VSL Logistics Solutions Private Limited	0.02	-
Vikram Solar GmbH	63.48	24.40
Vikram Solar Pte. Ltd.	8.87	6.40
(viii) Reimbursement of Employee benefit expenses		
VP Utilities & Services Pvt Ltd	3.93	-
VSL Logistics Solutions Private Limited	4.85	-
(ix) Other Income		
Vikram Solar US Inc		
Business Support Services	452.55	-
(x) Investment		
VSL Ventures Pvt Ltd	-	5.00
Indriya Labs (P) Ltd	1.00	-
VSL Green Power Private Limited	10.00	-
Vikram Solar Cleantech Pvt Ltd	5.00	-
Vikram Solar RE Power (P) Ltd.	10.00	-
Vikram Solar Foundation	5.00	-
Vikram Solar Pte. Ltd.	68.65	-
(xi) Corpus Donation paid		
Vikram Solar Foundation	11.00	-
(b) <u>Key Management Personnel (KMP) and relatives</u>		
(i) Remuneration to Key Management Personnel		
Shri. Gyanesh Chaudhary	230.62	228.08
Mr. Krishna Kumar Maskara	65.42	58.79
(ii) Sitting fees paid to Key Management Personnel		
Ms. Mamta Binani	-	0.25
Mr. Joginder Pal Dua	2.00	2.75
Mr. Probir Roy	1.50	0.25
Mr. Vikram Swarup	2.25	3.25
(iii) Rent paid		
Smt. Urmila Chaudhary	6.00	6.00
(iv) Advance Paid		
Shri. Gyanesh Chaudhary	10.33	-



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(c) Company in respect of which KMP has significant influence

(i) Sale of goods/services		
Vikram Solar Energy Solutions GmbH	2,985.25	2,156.70
(ii) Corpus Donation paid		
Yashvi Art Foundation	5.00	5.00

(d) Balances outstanding at the end of the year:

	As at 31 March, 2020	As at 31 March, 2019
A. Subsidiary and step down subsidiary Companies		
(i) Trade Receivable	970.48	859.77
(ii) Trade advance received	9,881.05	963.64
(iii) Commission payable	23.19	22.48
(iv) Loan receivable	496.30	588.53
(v) Investments - Refer Note 5		
B. Company in respect of which KMP has significant influence		
(i) Trade Receivable	1,408.05	510.14
B. Key Management Personnel (KMP) and relatives		
Shri. Gyanesh Chaudhary - Managing Director	10.33	

(e) Terms and conditions of transactions with related parties

The transactions with related parties are made 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 and cash equivalent.



37 Segment reporting

37.A Operating Segment

The Company is a manufacturer of solar modules as well as in the Engineering, Procurement and Construction (EPC) in the solar energy market. Based on the 'management approach' as defined in Ind AS 108- Operating Segments, the Chief Operating Decision Maker (CODM) evaluates the Company's performance and allocates resources based on an analysis of the various performance indicators by the overall business segment. As the allocation of resources and profitability of the business is evaluated by the CODM on an overall basis, with evaluation into individual categories to understand the reasons for variations, no separate segments have been identified. Accordingly no additional disclosure has been made for the segmental revenue, segmental results and the segmental assets & liabilities.

37.B Geographical Segment

The Company's Operating Facilities are located in India.

i) Particulars	31st March 2020	31st March 2019
Segment Revenue:		
India	1,15,231.31	1,70,945.37
Rest of the world	35,497.52	21,892.08
Total	1,50,728.83	1,92,837.45
ii) The Carrying Amount of Non-Current Operating Assets by location of Assets:		
India	37,398.54	35,243.38
Rest of the world	-	-
Total	37,398.54	35,243.38

37.C Major Customers

The Company derives approx 25.15 % (31 March 2019 : 57 %) of its revenue from Public sector/ Government undertakings.

38 Fair values of financial assets and financial liabilities

	31st March 2020	31st March 2019
Class wise fair value of the Company's financial assets:		
Investments (un-quoted) in mutual funds	-	17.22
Investment in subsidiaries	2,819.58	1,251.24
	2,819.58	1,268.46

Other Financial Assets other than above are valued at amortized cost.

39 Fair value hierarchy

The following table presents fair value hierarchy of assets and liabilities measured at fair value on a recurring basis:

Quantitative disclosures fair value measurement hierarchy for assets:	Fair Value measurement using			
	Date of valuation	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
	31/03/2020	-	-	2,819.58
	31/03/2019	17.22	-	1,251.24

Valuation process :

The main level 3 inputs for unquoted equity shares of the Company are derived and evaluated as follows:

Discount rates are determined using a Government yield to calculate a pre-tax rate that reflects current market assessments of the time value of money and the risk specific to the asset.



40 Financial risk management objectives and policies

The Company's financial liabilities comprise of long term borrowings, short term borrowings, capital creditors and trade & other payables. The main purpose of this financial liabilities is for financing the Company's operation. The Company's financial assets includes trade and other receivables, cash and cash equivalents, other bank balances, investment in subsidiaries and deposits.

The Company is exposed to various financial risks. These risks are categorized into market risk, credit risk and liquidity risk.

(A) Market risk

Market risk is the risk that the fair value of future cash flow of financial instruments may fluctuate because of changes in market conditions. Market risk broadly comprises three types of risks namely currency risk, interest rate risk and price risk (for commodities). The above risks may affect the Company's income and expenses and / or value of its investments. The Company's exposure to and management of these risks are explained below-

(i) 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 market interest rates. The Company exposure to the risk of changes in market interest rates relates to the Company's debt obligations with floating interest rates.

Interest rate sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in interest rates, with all other variables held constant.

Year	Change in interest rate - 50 basis point	Total borrowings	Effect on profit before tax
31-Mar-20	Increase	51,823.67	-259.12
	Decrease		259.12
31-Mar-19	Increase	59,615.11	-298.08
	Decrease		298.08

(ii) Foreign currency risk

The Company's activities expose it primarily to the financial risks of changes in foreign currency exchange rates as it undertakes transactions denominated in foreign currencies. Consequently, exposures to exchange rate fluctuations arise. Exchange rate exposures are managed within approved policy parameters utilising forward foreign exchange contracts. The Company enters into derivative contracts to hedge the exchange rate risk arising on the export of modules and import of cells/ modules and capital goods.

Foreign currency sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in exchange rates, with all other variables held constant. The impact on the Company's profit before tax is due to changes in the fair value of monetary assets and liabilities. The Company's exposure to foreign currency changes for all other currencies is not material.

Year	Change in rate (%)	CHF Receivable / (Payable) (net)	Euro Receivable / (Payable) (net)	USD Receivable / (Payable) (net)	Effect on profit before tax
31-Mar-20	Increase by 1%	-5.27	1,206.03	-32,393.84	-311.93
	Decrease by 1%				311.93
31-Mar-19	Increase by 1%	266.98	771.30	-25,802.65	-247.64
	Decrease by 1%				247.64



(iii) Price Risk :

Commodity price risk results from changes in market prices for raw materials, mainly Solar cells which forms the significant portion of Company's cost of sales. Significant movement in raw material costs could have an adverse effect on results of Company's operations.

The Company endeavours to reduce such risks by maintaining inventory at optimum level through a highly probable sales forecast. Raw materials are purchased based on the sales order book and forecast of sales. The Company also endeavours to offset the effects of increases in raw material costs through price increases in its sales, productivity improvement and other cost reduction efforts.

(B) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Company is exposed to credit risk from its operating activities mainly trade receivables.

Credit Risk Management

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the customer, including the default risk of the industry and country in which the customer operates, also has an influence on credit risk assessment. The Company assesses the credit quality of the counterparties, taking into account their financial position, past experience and other factors. Outstanding receivables are regularly monitored and an impairment analysis is performed at each reporting date on an individual basis for each major customer. In addition, small customers are grouped into homogeneous groups and assessed for impairment collectively.

Trade receivables of Rs.51,672.74 lakhs as at March 31, 2020 forms a significant part of the financial assets carried at amortised cost. The debtors do not have any concentrated risk and the Company does expect to recover these outstanding in due course. Further, adequate credit loss provision has been created based on the policy of the Company. The Company has specifically evaluated the potential impact with respect to uncertainties arising out of COVID-19 and expect that there could be some delay in payment from debtors, over and above the credit cycle. Basis our internal assessment and provisioning policy of the Company, the management assessment for the allowance for expected credit loss of Rs. 1,220.53 lakhs as at March 31,2020 is considered adequate.

(C) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company's principal sources of liquidity are cash and cash equivalents, long term borrowings, working capital borrowings, the cash flow that is generated from operations and proceeds of maturing financial assets. The Company manages its liquidity risk by ensuring, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due. Accordingly, no liquidity risk is perceived.

The table below summarizes the maturity profile of the Company's financial liabilities:

	Less than 1 year	1 to 5 years	More than 5 years	Total
As at 31 March 2020				
Short term borrowings	30,728.99	-	-	30,728.99
Long-term borrowings	2,384.86	17,055.87	1,653.96	21,094.68
Trade payables	48,892.04	-	-	48,892.04
Other financial liability	1,759.27	-	-	1,759.27
	<u>83,765.16</u>	<u>17,055.87</u>	<u>1,653.96</u>	<u>1,02,474.98</u>
As at 31 March 2019				
Short term borrowings	35,559.75	-	-	35,559.75
Long-term borrowings	3,698.06	18,963.32	1,393.98	24,055.36
Trade payables	39,553.38	-	-	39,553.38
Other financial liability	942.00	-	-	942.00
	<u>79,753.19</u>	<u>18,963.32</u>	<u>1,393.98</u>	<u>1,00,110.49</u>



Vikram Solar Limited (formerly known as 'Vikram Solar Private Limited')
Notes forming part of the Financial Statements as at and for the year ended 31 March 2020
(Amount in INR lakhs, unless otherwise stated)

41 Capital management

For the purpose of the Company's capital management, capital includes issued equity capital, long term and short term borrowings, share premium and all other equity reserves attributable to the equity holders. The primary objective of the Company's capital management is to maximize the shareholder value and to ensure the Company's ability to continue as a going concern.

The Company's management reviews the capital structure of the Company on a need basis when planning any expansions and growth strategies.

The Company monitors capital on the basis of cost of capital. The Company is not subject to any externally imposed capital requirements.

The following table summaries the capital of the Company:

Particulars	31st March 2020	31st March 2019
Long Term Borrowing (including current maturities of long term debt)	21,094.68	24,055.36
Short Term Borrowing	30,728.99	35,559.75
Less: Cash and cash equivalents	-2,949.74	-1,075.79
Total Borrowing (Net)	48,873.93	58,539.32
Total equity	37,780.12	36,253.81
Total Capital (Equity+Net Debt)	86,654.05	94,793.13
Debt to equity ratio	1.29	1.61

No changes were made to the objectives, policies or processes for managing capital during the years ended 31 March, 2020 and 31 March, 2019

- 42 The Company has provided interest bearing (which is not lower than prevailing yield of related Government security close to the tenure of the respective loans) unsecured loans repayable on demand during the year aggregating to Rs. 8,562.04 lakhs to certain companies for temporary financial assistance. Year-end balance of aforesaid loan is Rs. 778.84 lakhs (31 March 2019 : Rs. 588.52 lakhs).



- 43 The spread of COVID-19 pandemic has severely impacted businesses around the globe, including India specifically in the last quarter of FY 2019-20. The regular business operations of the company has also been impacted in Q4 which includes suspension of production facilities, disruptions in supply chain and adopting work from home policies of employees. The operations have resumed post lifting of Lock down in Q1 of FY 2020-21. The management has considered various internal & external sources of information up to the date of approval of the standalone financial statements by the Board of Directors in determining the impact of pandemic on the various elements of standalone financial statements. The management has also evaluated its liquidity position for the next year and used the principles of prudence in applying judgments, estimates & assumptions and based on the current estimates, does not anticipate any challenge in the Company's ability to continue as a going concern or meeting its financial obligations and expects to fully recover the carrying amount of various Non current & current assets including inventories, trade receivables, investments and other assets. However considering the uncertainties involved, the eventual outcome of impact of the pandemic may be different from those estimated as on the date of approval of these standalone financial statements and the Company will continue to closely monitor any material changes in future economic conditions.
- 44 The Director General of Trade Remedies (DGTR) had recommended imposition of safeguard duty on "Solar Cells whether or not assembled in modules or panels" imported from China and Malaysia on July 16, 2018 based on their final findings for a period of two years. Certain Solar Companies had filed writ petition before the Hon,ble Orissa High Court against the recommendation of DGTR and Hon,ble Orissa High court has passed an interim order on July 23, 2018 whereby Government of India (GOI) was directed not to issue any notification in this regard. However, GOI issued notification dated July 30, 2018 confirming the imposition of safeguard duty ignoring the interim order passed by the Hon,ble Orissa High Court. In the meanwhile, the Company also preferred a Writ Petition before the Hon,ble High Court of Orissa challenging the recommendation of DGTR and the notification dated July 30, 2018 issued by GOI. Pursuant to the above, GOI issued instruction dated August 13, 2018 directing all the Commissionerates not to insist on payment of safeguard duty and to assess the import of solar cells on a provisional basis. Subsequently, GOI has filed a SLP before the Hon,ble Supreme Court of India against the interim order of Orissa High Court.

The Hon,ble Supreme court has stayed the interim order passed by the Hon,ble Orissa High Court vide its order dated September 10, 2018. After this order, GOI issued instruction dated September 13, 2018 for withdrawal of earlier instruction dated August 13,2018 and for finalisation of provisionally assessed bill of entries.

The Company has paid Rs. 10,764.33 lakhs (including Rs. 6,040.79 lakhs paid during the year 2018-19) till 31st March, 2020 towards above safeguard duty on clearances for stock transfers/ongoing EPC contracts. The above amount has been considered as refundable and disclosed as receivable in the Financial Statements since the matter is pending before the Hon,ble Orissa High Court as well as the Hon,ble Supreme Court and based on legal opinion obtained by the Company, the Company has an arguable case on merits. However, in case the matter is decided against the solar Companies, the Company is entitle to receive Rs. 3,704.84 lakhs from a EPC customer based on representation made by the Company to said customer whose acceptance is pending as on date.

Further, no safeguard duty was paid by the Company on clearances from SEZ from July 30, 2018 to September 13, 2018 as stated above and the clearances were made on undertaking furnished by the Company. Based on legal opinion obtained by the Company, no safe guard duty is payable on clearances from SEZ during the said period since goods were cleared out of imported materials lying in stock as on the date of which the safeguard duty was imposed i.e. July 30, 2018.

45 Lease

The Company has adopted Ind AS 116 "Leases" with the date of initial application being 1 April,2019, using the modified retrospective method. On transition to Ind AS 116, Right of use assets as at 1st April, 2019 for lease previously classified as operating lease were recognised and taken the cumulative adjustment to Retained Earning as on 01st April, 2019. Accordingly, previous period information has not been reinstated.

Lease liabilities is being measured by discounting the lease payments using incremental borrowing rate i.e. 10% p.a.

The impact of change in accounting policy on account on adoption of Ind AS 116 is as follows :

Particulars	Amount
Increase in Property, Plant and Equipment by	1,110.51
Increase in Lease liabilities by	1,435.36
Transitional adjutment in Retained Earning (including Deferred Tax Assets of Rs. 113.52 lakhs)	324.85



As Lessee

(i) Carrying value of Right-of-use assets by class:

Building

Balance as at 1st April, 2019

Recognised on account of adoption of Ind AS 116

Additions during the year

Depreciation for the year

Balance as at 31st March, 2020

As at
31 March, 2020

1,110.51

-

-336.06

774.45

(ii) Movement in lease liabilities:

Particulars

Recognised on account of adoption of Ind AS 116 as at 1st April, 2019

Additions during the year

Finance cost accrued during the year

Payment of lease liabilities for the year

Balance as at 31st March, 2020

As at
31 March, 2020

1,435.36

-

128.25

-472.58

1,091.03

Lease liabilities - Non-current

698.45

Lease liabilities - Current

392.58

1,091.03

(iii) Contractual maturities of lease liabilities on an undiscounted basis:

Particulars

Less than one year

One to five years

More than five years

Total

As at
31 March, 2020

489.32

2,099.37

327.90

2,427.27

(iv) Amounts recognised in profit or loss:

Particulars

Interest on lease liabilities

Expenses relating to short-term and low-value leases

Total

2019-20

128.25

110.50

238.75

2018-19

-

414.02

414.02

(v) Amounts recognised in the statement of cash flows

Particulars

Total cash outflow of leases

2019-20

472.58

2018-19

-

There is no significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when due.

- 46 Rs.6,546.58 lakhs (included in Trade Receivables in the Financial Statements) has been withheld/recovered by certain customers related to EPC contracts on account of Liquidated damages, generation loss etc. which the Company has not acknowledged and the matter has been referred to Arbitration as per the terms of the respective contracts. The management is hopeful of resolution of the matter in favour of the Company and necessary adjustments in the financials will be made based upon the outcome of the matter.



Vikram Solar Limited (formerly known as 'Vikram Solar Private Limited')

Notes forming part of the Financial Statements for the year ended 31 March 2020

(Amount in INR lakhs, unless otherwise stated)

- 47 Section 115 BAA of the Income Tax Act, 1961, introduced by the Taxation Laws (Amendment) Act, 2019 gives a one-time irreversible option for payment of income tax at reduced rate with effect from financial year commencing 1st April, 2019 subject to certain conditions. The Company has made an assessment of the impact of the above amendment and decided to continue with the existing tax structure until utilisation of accumulated minimum alternative tax ("MAT"), tax incentives and deductions available to the Company.
- 48 The remuneration paid to the Managing Director and Executive Director of the Company, during the year ended March 2020 has exceeded the limit prescribed under section 197 of the Companies Act, 2013 by Rs. 191.28 lakhs which is subject to approval of the Shareholders of the Company. Pending such approval, no adjustment has been made in the financial statements.
- 49 Previous year figures have been regrouped/ reclassified wherever necessary to conform current year's classification.

As per our report of even date

For Singhi & Co.

Chartered Accountants

Firm Registration No.: 302049E

Rajiv Singh

Rajiv Singhi

Partner

Membership No: 053518



Place: Kolkata

Date: July 10, 2020

For and on behalf of the Board of Directors

Vikram Solar Limited

CIN: U18100WB2005PLC106448

Gyanesh Chaudhary

Gyanesh Chaudhary

Managing Director

DIN: 00060387

Rajendra Kumar Parakh

Rajendra Kumar Parakh

Chief Financial Officer

Krishna Kumar Maskara

Krishna Kumar Maskara

Wholetime Director

DIN: 01677008

Sudip Chatterjee

Sudip Chatterjee

Company Secretary

Membership No: A18690