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

1. Corporate Information:

Veer Energy & Infrastructure Limited ("the Company") is a public limited company incorporated and domiciled in India. It is engaged in the business of implementation and operation of large-scale projects in the renewable energy sector. It is also one of the India's leading renewable energy Company with the expertise to provide services, across the India, to develop, construct and operate projects that contribute to goal of a low carbon and sustainable future. The Company's equity share is listed on BSE Limited.

The financial statements for the year ended March 31, 2020 are approved for issue by the Company's Board of Directors on 30th July, 2020.

2. Significant Accounting Policies:

2.1 Basis of Preparation

(I) Compliance with IND AS:
These financial statements have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the 'Ind AS') as notified by Ministry of Corporate Affairs pursuant to Section 133 of the Companies Act, 2013 ('Act') read with the Companies (Indian Accounting Standards) Rules, 2015 as amended and other relevant provisions of the Act. The accounting policies are applied consistently to all the periods presented in the financial statements.

(II) Historical cost convention:
The financial statements have been prepared on historical cost basis, except certain financial assets and liabilities, defined benefits plans, contingent consideration and Assets held for sale, which have been measured at fair value.

(III) Current and non-current classification:
All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Act. Based on the nature of products and the time between acquisition of assets for processing and their realization in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purposes of current / non-current classification of assets and liabilities.

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification.
An asset is treated as current when it is:

a. Expected to be realized or intended to be sold or consumed in normal operating cycle
b. Held primarily for the purpose of trading
c. Expected to be realized within twelve months after the reporting period, or
d. Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

a. It is expected to be settled in normal operating cycle
b. It is held primarily for the purpose of trading
c. It is due to be settled within twelve months after the reporting period, or
d. There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

(I) Rounding of Amounts:

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

2.2 Use of Estimates and Judgements:

The preparation of financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgment in applying the accounting policies. This note provides an overview of the areas that involved a higher degree of judgment or complexity, and of items which are more likely to be adjusted due to estimates and assumptions turning out to be different from those originally assessed. Detailed information about each of these estimates and judgments is included in relevant notes together with information about the basis of calculation for each affected line item in the financial statements.

Estimates and judgments are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the group and that are believed to be reasonable under the circumstances.

2.3 Property, plant and equipment:

Property, plant and equipment are stated at original cost net of tax / duty credit availed, less accumulated depreciation and accumulated impairment losses, if any. Costs include financing costs of borrowed funds attributable to acquisition or construction of fixed assets, up to the date the assets are put-to-use, along with effects of foreign exchange contracts. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met. When significant parts of property, plant and equipment are required to be replaced at intervals, the Company derecognizes the replaced part, and recognizes the new part with its own associated useful life and it is depreciated accordingly. Where components of an asset are significant in value in relation to the total value of the asset as a whole, and they have substantially different economic lives as compared to principal item of the asset, they are recognized separately as independent items and are depreciated over their estimated economic useful lives. All other repair and maintenance costs are recognized in the statement of profit and loss as incurred unless they meet the recognition criteria for capitalization under Property, Plant and Equipment.

Tangible Fixed Assets:

Depreciation is charged as per straight line method on the basis of the expected useful life as specified in Schedule II to the Act. A residual value of 5% (as prescribed in Schedule II to the Act) of the cost of the assets is used for the purpose of calculating the depreciation charge. 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. However, management reviews the residual values, useful lives and methods of depreciation of property, plant and equipment at each reporting period end and any revision to these is recognized prospectively in current and future periods, if any.

Capital Work- in- progress

Capital work- in- progress represents directly attributable costs of construction/ acquisition to be capitalized. All other expenses including interest incurred during construction / acquisition period are capitalized as a part of the construction cost to the extent to which these expenditures are attributable to the construction as per Ind AS-23 “Borrowing Costs”. Interest income earned on temporary investment of funds brought in for the project during construction period are set off from the interest expense accounted for as expenditure during the construction period. All these expenses are transferred to fixed assets on commencement of respective projects.

2.4 Impairment of non-financial assets

The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset’s net selling price and value in use. In assessing value in use, the Company measures it on the basis of discounted cash flows of next five years’ projections estimated based on current prices. Assessment is also done at each Balance Sheet date as to whether there is any indication that an impairment loss recognized for an asset in prior accounting periods may no longer exist or may have decreased.

After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

Impairment losses of continuing operations, including impairment on inventories, are recognized in profit and loss section of the statement of profit and loss, except for properties previously revalued with the revaluation taken to other comprehensive Income (the ‘OCI’). For such properties, the impairment is recognized in OCI up to the amount of any previous revaluation.

2.5 Foreign Currency Transactions

Functional and presentation currency
The Company's financial statements are presented in Indian Rupees ("INR"), which is also the Company's functional and presentation currency. All amounts have been reported in Indian Rupees Lakhs, except for share and earnings per share data, unless otherwise stated.

Initial Recognition
Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount, the exchange rate between the reporting currency and the foreign currency at the date of transaction.

Conversion
Foreign currency monetary items are reported using the closing rate. In case of items which are covered by forward exchange contract, the difference between year end rate and rate on the date of the contract is recognised as exchange difference and premium paid on forward contracts and option contract is recognised over the life of the contract. Non-monetary items, which are measured in terms of historical costs denominated in foreign currency, are reported using the exchange rate at the date of the transaction. Non-monetary items, which are measured at fair value or other similar valuation denominated in a foreign currency, are translated using the exchange rate at the date when such value was determined.

Exchange Differences
Exchange differences arising on the settlement of monetary items or on reporting Company's monetary items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements including receivables and payables which are likely to be settled in foreseeable future, are recognized as income or as expenses in the year in which they arise. All other exchange differences are recognized as income or as expenses in the period in which they arise.

The gain or loss arising on translation of non-monetary items is recognized in line with the gain or loss of the item that give rise to the translation difference (i.e. translation difference on items whose gain or loss is recognized in other comprehensive income or the statement of profit and loss is also recognized in other comprehensive income or the statement of profit and loss respectively).

2.6 Revenue Recognition

(i) Sale of goods and services:

The Company derives revenues primarily from sale of manufactured goods, traded goods and related services.

Effective April 1, 2018, the Company has adopted Indian Accounting Standard 115 (Ind AS 115) - 'Revenue from contracts with customers' using the cumulative catch-up transition method, applied to contracts that were not completed as on the transition date i.e. April 1, 2018. Accordingly, the comparative amounts of revenue and the corresponding contract assets / liabilities have not been retrospectively adjusted. The effect on adoption of Ind-AS 115 was insignificant.

Revenue is recognized on satisfaction of performance obligation upon transfer of control of promised products or services to customers in an amount that reflects the consideration the Company expects to receive in exchange for those products or services. The Company recognizes provision for sales return, based on the historical results.

The Company does not expect to have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, it does not adjust any of the transaction prices for the time value of money.

The Company satisfies a performance obligation and recognises revenue over time, if all of the following criteria is met:

1. The customer simultaneously receives and consumes the benefits provided by the Company's performance;
2. The Company's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; and
3. The Company's performance does not create an asset with an alternative use to the Company and an entity has an enforceable right to payment for performance completed to date.

For performance obligations where one of the above conditions are not met, revenue is recognised at the point in time at which the performance obligation is satisfied.

Revenue from sale of products and services are recognised at a time on which the performance obligation is satisfied.

(ii) Interest income:
Interest income from financial asset is recognized when it is probable that the economic benefits will flow to the Company and the amount of income be measured reliably. Interest income is accrued on a time basis, be reference to the amortised cost and the Effective Interest Rate (EIR) applicable.

(iii) Other income: Other income is recognised when no significant uncertainty as to its determination or realisation exists.

2.7 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

a. Initial recognition and measurement:

All financial assets are recognized initially at fair value. In the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset are added to the initial cost of such asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place [regular way trades] are recognized on the settlement date, trade date, i.e., the date that the Company commits to purchase or sell the asset.

b. Subsequent measurement:

For purposes of subsequent measurement, financial assets are classified in four categories:

i. Debt instruments at amortized cost:

A 'debt instrument' is measured at the amortized cost if both the following conditions are met:

- The asset is held with an objective of collecting contractual cash flows

- Contractual terms of the asset give rise on specified dates to cash flows that are "solely payments of principal and interest" [SPPI] on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest rate [EIR] method. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included in interest income in the Statement of Profit and Loss. The losses arising from impairment are recognized in the profit or loss. This category generally applies to trade and other receivables.

ii. Debt instruments at fair value through other comprehensive income [FVTOCI]:

A 'debt instrument' is classified as at the FVTOCI if both of the following criteria are met:

- The asset is held with objective of both - for collecting contractual cash flows and selling the financial assets

- The asset's contractual cash flows represent SPPI.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income [OCI]. However, the Company recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the Statement of Profit and Loss. On derecognition of the asset, cumulative gain or loss previously recognized in OCI is reclassified from the equity to Statement of Profit and Loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

iii. Debt instruments, derivatives and equity instruments at fair value through profit or loss [FVTPL]:

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL. Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the Profit & Loss statement.

iv. **Equity instruments measured at fair value through other comprehensive income [FVTOCI]:**

All equity in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. For all other equity instruments, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company has made such election on an instrument by- by instrument basis. The classification is made on initial recognition and is irrevocable. If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to P&L. Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of Profit and Loss.

c. **Derecognition:**

A financial asset is primarily derecognized when:

i. The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either [a] the Company has transferred substantially all the risks and rewards of the asset, or [b] the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

ii. the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership.

d. **Impairment of financial assets:**

In accordance with Ind AS 109, the Company applies expected credit loss [ECL] model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

a. Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, deposits, trade receivables and bank balance

b. Trade receivables or any contractual right to receive cash

c. Financial assets that are debt instruments and are measured as at FVTOCI

d. Lease receivables under Ind AS 17

e. Financial guarantee contracts which are not measured as at FVTPL

The Company follows 'simplified approach' for recognition of impairment loss allowance on Point c and d provided above. The application of simplified approach requires the company to recognize the impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition. For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used to provide impairment. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognizing impairment loss allowance based on 12-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date. ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive [i.e., all cash shortfalls], discounted at the original EIR.

As a practical expedient, the Company uses a provision matrix to determine impairment loss allowance on portfolio of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analyzed.

ECL impairment loss allowance [or reversal] recognized during the period is recognized as income/ expense in the statement of profit and loss. The balance sheet presentation for various financial instruments is described below:

a. Financial assets measured as at amortized cost, contractual revenue receivables and lease receivables: ECL is presented as an allowance which reduces the net carrying amount. Until the asset meets write-off criteria, the Company does not reduce impairment allowance from the gross carrying amount.

b. Debt instruments measured at FVTOCI: Since financial assets are already reflected at fair value, impairment allowance is not further reduced from its value. Rather, ECL amount is presented as 'accumulated impairment amount' in the OCI.

B. Financial liabilities:

a. Initial recognition and measurement:

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

b. Subsequent measurement:

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

i. Financial liabilities at fair value through profit or loss:

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments. Gains or losses on liabilities held for trading are recognized in the profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied for liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/ losses are not subsequently transferred to P&L. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognized in the statement of profit or loss. The Company has not designated any financial liability as at fair value through profit and loss.

ii. Loans and borrowings:

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the statement of profit and loss.

iii. Financial guarantee contracts:

Financial guarantee contracts issued by the Company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognized initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognized less cumulative amortization.

c. Derecognition:

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of profit or loss.

C. Reclassification of financial assets:

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Company does not restate any previously recognized gains, losses [including impairment gains or losses] or interest.

D. Offsetting of financial instruments:

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

2.8 Fair Value Measurement

The Company measures financial instruments, such as, derivatives at fair value at each balance sheet date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

a. In the principal market for the asset or liability, or

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

The principal or the most advantageous market must be accessible by the Company. The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

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

Level 1 - Quoted [unadjusted] market prices in active markets for identical assets or liabilities.

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

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

2.9 Inventories:

Inventories are stated at the lower of cost and net realizable value. Cost comprise all cost of purchase, cost of conversion and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on First-In-First-Out (FIFO) basis. Due allowance is estimated and made for defective and obsolete items, wherever necessary.

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

2.10 Employee benefits

a. **Short-term obligation:**

   Liabilities for wages and salaries, including non monetary benefits that are expected to be settled wholly within 12 months after the end of period in which the employee render the related service are recognized in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. Employee benefits are recognized as expense at undiscounted amount in the statement of profit and loss for the year in which the related service is rendered.

b. **Post employee obligations**

   The Company operates the following post-employment schemes:
   - defined benefit plans such as gratuity
   - defined contribution plans such as provident fund

   (i) Gratuity obligations:

   The liability or asset recognized in the balance sheet in respect of defined gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is determined at the yearend by independent actuary using the projected unit credit method.

   The present value of the defined obligation denominated in Indian Rupees is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

   The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss.

   Actuarial gains and losses in respect of post employment and other long term benefits are debited / credited to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to the profit and loss in the subsequent periods.

(ii) Defined contribution plans:

Provident fund:

The Company pays contributions towards provident fund to the regulatory authorities as per regulations. The contributions are recognized as employee benefit expense when they are due.

c. Bonus plans

The Company recognise a liability and an expense for bonus. The Company recognise a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

2.11 Income Tax

Income tax expense comprises current and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from ‘profit before tax’ as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company’s current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax

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

Deferred tax liabilities are recognized for all taxable temporary differences. Deferred tax assets are recognized for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognized on the basis of reasonable certainty that the company will be having sufficient future taxable profits and based on the same the DTA has been recognized in the books.

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

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is "realized or the liability is settled, based on tax rates [and tax laws] that have been enacted or substantively enacted at the" reporting date.

Deferred tax items are recognized in correlation to the underlying transaction either in OCI or directly in equity. Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities.

Minimum Alternate Tax credit is recognised as deferred tax asset only when and to the extent there is a convincing evidence that the Company will pay normal income tax during the specified period. Such asset is reviewed at each Balance Sheet date and the carrying amount of the MAT credit asset is written down to the extent there is no longer a convincing evidence to the effect that the Company will pay normal income tax during the specified period.

2.12 Borrowing costs

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.

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

2.13 Provisions, Contingent Liabilities and Contingent Assets:

Provision is recognized when the Company has a present obligation (legal or constructive) as a result of past events and it is probable that the outflow of resources will be required to settle the obligation and in respect of which reliable estimates can be made.

A disclosure for contingent liability is made when there is a possible obligation, that may, but probably will not require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision/ disclosure is made. The Company does not recognize a contingent liability but discloses its existence in the financial statements.

Contingent assets are not recognized in the financial statements. Provisions and contingencies are reviewed at each balance sheet date and adjusted to reflect the correct management estimates.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. Commitments include the amount of purchase order (net of advances) issued to parties for completion of assets. Provisions, contingent liabilities, contingent assets and commitments are renewed at each balance sheet date.

2.14 Cash and Cash Equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

2.15 Earnings per equity share

Basic earnings per equity share is computed by dividing the net profit attributable to the equity holders of the Company by the weighted average number of equity shares outstanding during the period.

Diluted earnings per equity share is computed by dividing the net profit attributable to the equity holders of the Company by the weighted average number of equity shares considered for deriving basic earnings per equity share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares.

2.16 Recent Accounting Pronouncements

Ind AS 116
On March 30, 2019, the Ministry of Corporate Affairs (MCA) has notified Ind AS 116 Leases, under Companies (Indian Accounting Standards) Amendment Rules, 2019 which is applicable with effect from April 1, 2019.

Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract i.e., the lessee and the lessor. Ind AS 116 introduces a single lease accounting model for lessee and requires the lessee to recognize right of use assets and lease liabilities for all leases with a term of more than twelve months, unless the underlying asset is low value in nature. Operating lease expenses are charged to the statement of profit and loss. Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS 17.

As per Ind AS 116, the lessee needs to recognize depreciation on rights of use assets and finance costs on lease liabilities in the statement of profit and loss. The lease payments made by the lessee under the lease arrangement will be adjusted against the lease liabilities.

The Company has currently evaluated the impact on account of implementation of Ind AS 116 which does not seem to have any significant impact on key profit & loss and balance sheet ratio i.e. Earnings before interest, tax, depreciation and amortisation (EBITDA), Asset coverage, debt equity, interest coverage, etc.

Veer Energy & Infrastructure Ltd.

VEER ENERGY & INFRASTRUCTURE LIMITED

Notes forming part of the Financial Statements

(Rs. in lakhs)

3 - Property, Plant and Equipment

Particulars	Freehold	Buildings	Furniture and	Plant and	Office	Computers	Vehicles	Total
Cost:								
As at April 1, 2018	127.08	262.11	29.99	1,680.13	24.33	11.40	46.23	2,181.27
Additions during the year	157.69	-	0.41	-	1.54	-	0.35	159.99
Disposals / transfers	-	-	-	-	-	-	-	-
As at March 31, 2019	284.77	262.11	30.41	1,680.13	25.88	11.40	46.58	2,341.26
Additions during the year	1.15	-	-	-	-	-	11.50	12.65
Disposals / transfers	127.08	206.66	-	-	-	-	-	333.75
As at March 31, 2020	**158.84**	**55.44**	**30.41**	**1,680.13**	**25.88**	**11.40**	**58.08**	**2,020.16**
Accumulated Depreciation:								
As at April 1, 2018	-	39.24	18.51	578.42	9.10	9.05	27.18	681.49
Depreciation for the year	-	8.31	2.87	88.17	1.50	2.35	3.50	106.70
Disposals / transfers	-	-	-	-	-	-	-	-
As at March 31, 2019	-	47.55	21.38	666.59	10.60	11.40	30.68	788.19
Depreciation for the year	-	1.76	2.90	88.41	1.53	-	4.19	98.80
Disposals / transfers	-	37.01	-	-	-	-	-	37.01
As at March 31, 2020	**-**	**12.30**	**24.27**	**755.00**	**12.13**	**11.40**	**34.87**	**849.98**
Net Carrying Amount:								
As at March 31, 2019	284.77	214.55	9.03	1,013.54	15.28	0.00	15.90	1,553.07
As at March 31, 2020	**158.84**	**43.14**	**6.13**	**925.13**	**13.75**	**0.00**	**23.20**	**1,170.19**

Veer Energy & Infrastructure Ltd.

Veer Energy & Infrastructure Limited

Notes forming part of the Financial Statements

(Rs. in lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
4 - Investments		
Unquoted Investments	0.30	0.30
	0.30	**0.30**
5 - Loans		
Loans to unrelated party (unsecured and considered good)	-	-
	-	**-**
6 - Others Financial Assets		
Unsecured and considered good		
Business Advances	-	-
Deposits	184.34	197.77
	184.34	**197.77**
7- Income tax Assets		
TDS receivable	95.43	139.87
Provision for taxation	-20.36	-36.00
	75.06	**103.87**
8 - Others Non Current Assets		
Balance with government authorities	0.72	1.45
	0.72	**1.45**
9 - Inventories		
Work-in-progress	1,185.43	1,271.74
Finished goods	1,859.66	1,729.59
	3,045.09	**3,001.33**
Note: Inventories are carried at the lower of cost and net realisable value.		
10 - Trade Receivables		
Unsecured, considered good	288.35	598.09
Unsecured, considered doubtful	-	-
	288.35	598.09
	288.35	**598.09**
11 - Cash and Cash Equivalents		
Balances with banks in current accounts	52.26	147.74
Cash on hand	0.99	3.86
	53.25	**151.60**
12 - Bank Balances other than above		
Earmarked balances with bank for unpaid dividends	2.99	2.99
	2.99	**2.99**
13 - Loans		
Loans to unrelated party (unsecured and considered good)	1,629.31	1,343.44
Advances to employees	-	0.58
	1,629.31	**1,344.02**
14 - Other Financial Assets		
Unsecured, considered good unless otherwise stated		
Bank deposits with maturity of more than 12 months	193.85	-
	193.85	**-**
15 - Other Current Assets		
Balance with statutory authorities	36.94	9.27
Advances to suppliers	30.91	0.61
	67.86	**9.88**

Particulars	As at March 31, 2020	As at March 31, 2019
16 - Share Capital		
Authorised:		
1,50,00,000 Equity Shares of Rs. 10 each	1,500.00	1,500.00
(March 31, 2019: 1,50,00,000 Equity shares of Rs. 10 each)		
Issued, Subscribed and fully paid-up:		
1,15,09,950 Equity Shares of Rs. 10 each fully paid up	1,151.00	1,151.00
(March 31, 2019: 1,15,09,950 Equity shares of Rs. 10 each)		
	1,151.00	**1,151.00**

(i) Reconciliation of shares outstanding at the beginning and at the end of the Reporting year

Particulars	As at March 31, 2020		As at March 31, 2019	
	No. of Shares	(Rs. in lakhs)	No. of Shares	(Rs. in lakhs)
Equity Shares				
Opening Balance	1,15,09,950	1,151.00	1,15,09,950	1,151.00
Add: Issued during the year	-	-	-	-
Closing Balance	**1,15,09,950**	**1,151.00**	**1,15,09,950**	**1,151.00**

(ii) Rights, preferences and restrictions attached to shares

Equity Shares:

The Company has only one class of equity shares having a par value of Rs. 10 per share. Each holder of equity share is eligible for one vote per share. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding. The dividend, if any, proposed by the Board of Directors of the Company is subject to the approval of the shareholders in the ensuing Annual General Meeting except in case of interim dividend.

(iii) Number of Shares held by each shareholder holding more than 5% Shares in the Company

Name of Shareholder	As at March 31, 2020		As at March 31, 2019	
	No. of Shares	% of Holding	No. of Shares	% of Holding
Yogesh M. Shah	26,21,565	22.78	26,21,565	22.78

(iv) During the 5 years immediately preceding March 31, 2020, there are no shares allotted as fully paid up pursuant to contract(s) without payment being received in cash. Also, there are no shares allotted as fully paid up by way of bonus shares.

Particulars	As at March 31, 2020	As at March 31, 2019
17 - Other Equity		
(a) Securities Premium		
Opening balance	2,558.82	2,490.08
Add: Additions during the financial year	-	68.74
Less: Deductions during the financial year	-	-
Closing balance	2,558.82	2,558.82
(b) General Reserve	100.00	100.00
(c) Retained Earnings		
Opening balance	2,385.38	2,275.34
Profit for the year	32.55	110.04
Adjustment of MAT Entitlement	-	-
Closing balance	2,417.93	2,385.39
(d) FVOCI Reserve		
Opening balance	18.54	0.63
Add: Additions/(Reductions) during the financial year	1.03	17.91
Closing balance	**19.57**	**18.54**
Total (a+b+c+d)	**5,096.32**	**5,062.74**
18 - Borrowings		
Secured term loans from banks	-	22.41
	-	**22.41**
a. Nature of Security:		
* It is primarily secured by hypothecation of stock, book debts and plant machineries acquired through term loan and also equitable mortgage of certain properties as a collateral security.		
19 - Other Financial Liabilities		
Advances-Suzlone group	-	**370.16**
	-	**370.16**
20 - Provisions		
Provision for employee benefit of gratuity	3.53	3.50
	3.53	**3.50**
21 - Deferred Tax Liabilities (Net)		
Deferred Tax Liabilities	186.86	217.67
Less: Deferred Tax Assets	-4.30	-3.01
Less: MAT Credit Entitlement	-18.64	-18.64
Deferred Tax Liabilities (Net)	**163.91**	**196.02**

Particulars	As at March 31, 2020	As at March 31, 2019
22 - Trade Payables		
Due to micro and small enterprises	-	-
Due to other than micro and small enterprises	103.74	97.01
	103.74	**97.01**

a. Disclosure under Section 22 of Micro, Small and Medium Enterprise Development (MSMED) Act, 2006 is as under:

The Company has not received any intimation from suppliers regarding their status under the Micro, Small and Medium Enterprise Development (MSMED) Act, 2006 and hence disclosures as required under Section 22 of The Micro, Small and Medium Enterprise Development (MSMED) Act, 2006 regarding:

(a) Principal amount and the interest due thereon remaining unpaid to any suppliers as at the end of accounting year;

(b) Interest paid during the year;

(c) Amount of payment made to the supplier beyond the appointed day during accounting year;

(d) Interest due and payable for the period of delay in making payment;

(e) Interest accrued and unpaid at the end of the accounting year; and

(f) Further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise;

have not been given.

The information is given in respect of such vendors to the extent they could be identified as micro and small enterprise on the basis of information available with the Company.

Particulars	As at March 31, 2020	As at March 31, 2019
23 - Other Financial Liabilities		
Current maturities of long-term debt	-	24.00
Unclaimed dividend	2.99	2.99
Other payables	-	-
	2.99	**26.99**
Note: There are no amounts due for payment to the Investor Education and Protection Fund under section 125 of the Companies Act, 2013 as on March 31, 2020 (March 31, 2019: Nil).		
24 - Other Current Liabilities		
Statutory liabilities	0.57	0.96
Advances from customers	176.24	5.05
Advances received against sale of immovable property	-	20.00
	176.81	**26.00**
25 - Short Term Provisions		
Provision for employee benefit of gratuity	13.01	8.54
	13.01	**8.54**

Veer Energy & Infrastructure Ltd.

Particulars		Year ended March 31, 2020	Year ended March 31, 2019
26 - Revenue from operations			
Sale of products		161.13	128.10
Sale of services		444.41	1,532.68
Other operating revenue		4.19	-
		609.72	**1,660.78**
27 - Other Income			
Interest income		151.07	105.16
Subsidy		21.10	-
Miscellaneous income		2.19	3.16
		174.36	**108.31**
28 - Changes in Inventories of Work-in-progress and Finished Goods			
Inventories at the beginning of the year			
Raw material		-	10.93
Work-in-progress		1,271.74	2,694.40
Finished goods		1,729.59	-
	(A)	**3,001.33**	**2,705.33**
Inventories at the end of the year			
Work-in-progress		1,185.43	1,271.74
Finished goods		1,859.66	1,729.59
	(B)	**3,045.09**	**3,001.33**
Increase in inventories	**(A) - (B)**	**(43.76)**	**(296.00)**
29 - Employee Benefits Expenses			
Salaries, bonus, allowances and gratuities		57.35	56.55
Contribution to provident and other funds		0.24	0.92
Staff welfare expense		3.81	1.61
		61.40	**59.08**
30 - Finance Costs			
Interest expenses		0.69	14.25
Other borrowing costs		2.33	4.57
		3.02	**18.81**
31 - Other Expenses			
Administrative expenses		1.28	1.80
Advertisement, publicity and sales promotion		0.52	0.69
Bad debts written off		-	141.85
Clearing, forwarding, packing, freight, loading etc.		3.77	1.51
Commission expenses		-	0.07
Deferred expenses on financial instruments		28.83	18.02
Electricity expenses		7.80	5.56
Labour Charges		4.00	-
Indirect taxes		2.58	11.04
Insurance expenses		5.42	7.09
Legal fees		8.77	9.35
Miscellaneous expenses		2.19	1.54

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
31 - Other Expenses (Cont.)		
Operation and maintenance charges	60.29	89.98
Payment to auditors**	1.50	1.50
Professional and consultancy charges	10.72	8.62
Rent	11.53	10.51
Repairs and maintenance	0.64	1.40
Security expenses	4.75	8.85
Telephone and internet expenses	0.82	0.77
Travelling expenses	4.68	4.40
	160.10	**324.56**
**** Payment to Auditors**		
- as auditors	1.00	1.00
- for tax audit	0.25	0.25
- for limited review	0.25	0.25
32. Earnings Per Share (EPS)		
Profit for the year (Rs. in lakhs)	32.55	110.04
Weighted average numbers of equity shares	115.10	115.10
Share warrant	-	-
Face value per equity share (`)	10.00	10.00
Earnings per equity share- basic (`)	0.28	0.96
Earnings per equity share- diluted (`)	0.28	0.96

Particulars	As at March 31, 2020	As at March 31, 2019
32- Contingent Liabilities		
Income tax demand / liabilities not provided for the AY 2014-15	284.17	284.17

Note:

It is not practicable to estimate the timing of cash outflows, in respect of matters stated above, due to pending resolution of the proceedings.

33 - Lease

The Company has taken building premises on rent. The expense on such lease rentals recognized in the Statement of Profit and Loss for the year ended March 31, 2020 is Rs. 8.17 lakhs (year ended March 31, 2019 is Rs. 10.51 lakhs). The lease has varying terms, escalation clauses and renewal rights. On renewal, terms of the leases are renegotiated. All such leases are cancellable. The Company has not given any property on sub-lease which is taken on lease contracts.

VEER ENERGY & INFRASTRUCTURE LIMITED

Notes forming part of the Financial Statements

34 - Segment Reporting

Based on the "management approach" as defined in Ind AS 108, the Chief Operating Decision Maker (CODM) evaluates the Company's performance and allocates resources based upon analysis of various performance indicators by the Operating Segments. The Company's CODM constitutes of managing director, whole-time director and chief financial officer.

The Company has one segment of activity namely "Infrastructure'. The Company's operations are limited to India only and its all assets are domiciled in India, there are no reportable geographical segments.

35 - Employee Benefits Disclosure:

The Company has classified the various benefits provided to employees as under:-

(a) Defined contribution plans

Provident fund

The Company has recognized the following amounts in the statement of profit and loss:

Employers' contribution to provident fund:- current year is Rs. 0.04 lakhs (previous year: Rs. 0.81 lakhs)

(b) Defined benefit plans

Gratuity

In accordance with Indian Accounting Standard 19, actuarial valuation was done in respect of the aforesaid defined benefit plans based on the following assumptions:

Economic Assumptions

The discount rate and salary increases assumed are the key financial assumptions and should be considered together; it is the difference or 'gap' between these rates which is more important than the individual rates in isolation.

Discount Rate

The discounting rate is based on the gross redemption yield on medium to long term risk free investments. The estimated term of the benefits/obligations works out to zero years. For the current valuation a discount rate of 6.91% p.a. (previous year 7.62% p.a.) compound has been used.

Salary Escalation Rate

The salary escalation rate usually consists of at least three components, viz. regular increments, price inflation and promotional increases. In addition to this any commitments by the management regarding future salary increases and the Company's philosophy towards employee remuneration are also to be taken into account. Again a long-term view as to trend in salary increase rates has to be taken rather than be guided by the escalation rates experienced in the immediate past, if they have been influenced by unusual factors.

The assumptions used are summarized in the following table: **(Rs. in lakhs)**

Particulars	**Gratuity (Unfunded)**	
	As at 31st March, 2020	**As at 31st March, 2019**
Discount rate (per annum)	6.91%	7.62%
Future salary increase	5.00%	5.00%
Mortality rates during employment	100% of IALM (2012-14)/(2006-08)	
Retirement age	60 years	60 years
Withdrawal rates		
- Up to 30 years	6.00%	8.00%
- From 31 to 44 years	16.00%	7.00%
- Above 44 years	28.00%	24.00%

		(Rs. in lakhs)
Particulars	**Gratuity (Unfunded)**	
	As at 31st March, 2020	**As at 31st March, 2019**
Change in present value of the defined benefit obligation during the year		
Present value of obligation as at the beginning of the year	12.04	26.52
Interest cost	0.92	2.05
Current service cost	2.00	1.38
Past service cost	-	-
Benefits paid	-	-
Total Acturial (Gain)/Loss on obligation	1.03	-17.91
Present value of obligation as at the end of the year	15.99	12.04
Net Liability recorded in the Balance Sheet		
Present value of obligation at the end of the year	15.99	12.04
Net liability - current	13.02	8.54
Net liability - non-current	3.53	3.50
Particulars	**Year ended March 31, 2020**	**Year ended March 31, 2019**
Expenses recorded in the Statement of Profit and Loss during the year		
Interest Cost	0.92	2.05
Current Service Cost	2.00	1.38
Total expenses included in employee benefit expenses	2.92	3.43
Other Comprehensive Income (OCI)		
Net Cumulative unrecognised acturial gain/(loss) opening	18.54	0.63
Acturial gain/(loss) for the year on PBO	1.03	17.91
Acturial gain/(loss) for the year on Assets	0.00	0.00
Unrecognised acturial gain/(loss) at the end of the year	19.58	18.54
Quantitative sensitivity analysis for significant assumption is as below:		
Present value of obligation at the end of the period	15.99	**12.04**
Half percentage point increase in discount rate	(0.12)	(0.21)
Half percentage point decrease in discount rate	0.13	0.05
Half percentage point increase in salary increase rate	0.13	0.06
Half percentage point decrease in salary decrease rate	(0.12)	(0.22)
Expected contribution to the defined benefit plan for the next reporting period	3.73	2.39
Maturity profile of defined benefit obligation		
Particulars	**As at March 31, 2020**	**As at March 31, 2019**
Within next 12 months	14.99	9.21
Between 2 and 5 years	7.74	4.42

36 - Corporate Social Responsibility

Gross amount required to be spent by the Company during the year is Nil (Previous year: Nil).

37 - Tax Expenses

(Rs. in lakhs)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Current Tax:		
Current Tax on profits for the year	20.36	36.00
Deferred Tax:		
Decrease / (Increase) in Deferred Tax Assets	(1.29)	
(Decrease) / Increase in Deferred Tax Liabilities	(30.82)	20.55
Prior year taxes	2.35	
Income Tax Expenses	**-9.40**	**56.55**
Reconciliation of tax expense and accounting profit multiplied by		
Profit before income taxes	25.77	159.39
Rate of tax	26.00	27.82
Tax Expense at applicable rate	**6.34**	**44.34**
Tax effect of adjustments to reconcile expected income tax expense to		
Expenses not deductible for tax purposes	51.05	30.64
Expenses deductible for tax purposes	(12.72)	(17.05)
Tax Holiday	(24.67)	(25.37)
Deferred Tax	(32.11)	20.55
Others	2.35	3.44
Income Tax Expenses	**-9.76**	**56.55**

VEER ENERGY & INFRASTRUCTURE LIMITED

Notes forming part of the Financial Statements

38 - Financial Instruments - Accounting Classfication and Fair Value Measurements

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The following methods and assumptions were used to estimate the fair values:

1. Fair values of cash and short term deposits, trade and other short term receivables, trade payables, other current liabilities, short term loans from banks and other financial institutions approximate their carrying amounts largely due to short-term maturities of these instruments.

2. Financial instruments with fixed and variable interest rates are evaluated by the Company based on parameters such as interest rates and individual credit worthiness of the counterparty. Based on the evaluation, allowances are taken to account for the expected losses of these

The company uses the following hierarchy for determining and disclosing the fair values of financial instruments by valuation technique:

Level 1 : Quoted (unadjusted) prices in active markets for identical assets or liabilities.
Level 2 : Other techniques for which all inputs which have a significant effects on the recorded fair value are observable, either directly or
Level 3 : Techniques which use inputs that have a significant effects on the recorded fair value that are not based on observable market data.

I. As at March 31, 2020 **(Rs. in lakhs)**

Financial Instrument	**Carrying**	**Fair Amortise**	**FVOCI**	**FVTPL**	**Total**	**Fair Level 1**	**Level 2**	**Level 3**	**Total**
Financial Assets									
Non Current									
(i) Investments	0.30	0	0	0	0	0	0	0	0
(ii) Loans	0	0	0	0	0	0	0	0	0
(iii) Other financial assets	193.85	193.85	0	0	193.85	0	0	193.85	193.85
Current					0				0
(i) Trade receivables	288.35	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(ii) Cash and cash equivalents	53.25	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(iii) Bank balances other than	2.99	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Loans	1629.31	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
TOTAL	**2168.03**	**193.85**	**0.00**	**0.00**	**193.85**	**0.00**	**0.00**	**193.85**	**193.85**
Financial Liabilities									
Non Current									
(i) Borrowings	0	0	0	0	0	0	0	0	0
(ii) Trade payables	0	0	0	0	0	0	0	0	0
(ii) Other financial liabilities	0								
TOTAL	0	0	0	0	0	0	0	0	0
Financial Liabilities									
Current									
(i) Borrowings	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(ii) Other Financial Liabilities	2.99	2.99	0.00	0.00	2.99	0.00	0.00	2.99	2.99
(iii) Trade Payables	103.74	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(iv) Other Liabilities	176.81	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
TOTAL	**283.54**	**2.99**	**0.00**	**0.00**	**2.99**	**0.00**	**0.00**	**2.99**	**2.99**

I. As at March 31, 2019 **(Rs. in lakhs)**

Financial Instrument	Carrying Amount	Fair Value				Fair Value Hierarchy			
		Amortised	FVOCI	FVTPL	Total	Level 1	Level 2	Level 3	Total
Financial Assets									
Non Current									
(i) Investments	0.30	-	-	-	-	-	-	-	-
(ii) Loans	714.09	-	-	-	-	-	-	-	-
(iii) Other financial assets	-	197.77	-	-	197.77	-	-	197.77	197.77
Current									
(i) Trade receivables	598.09	-	-	-	-	-	-	-	-
(ii) Cash and cash equivalents	151.60	-	-	-	-	-	-	-	-
(iii) Bank balances other than	2.99	-	-	-	-	-	-	-	-
(iv) Loans	259.78	-	-	-	-	-	-	-	-
TOTAL	**1,726.85**	**197.77**	**-**	**-**	**197.77**	**-**	**-**	**197.77**	**197.77**
Financial Liabilities									
Non Current									
(i) Borrowings	-	22.41	-	-	22.41	-	-	22.41	22.41
Current									
(ii) Trade payables	97.01	-	-	-	-	-	-	-	-
(ii) Other financial liabilities	26.99								
TOTAL	**124.00**	**22.41**	**-**	**-**	**22.41**	**-**	**-**	**22.41**	**22.41**
Financial Liabilities									
Non Current									
(i) Borrowings	-	45.46	-	-	45.46	-	-	45.46	45.46
(ii) Other Financial Liabilities	562.64	-	-	-	-	-	-	-	-
Current									
(i) Borrowings	33.63	-	-	-	-	-	-	-	-
(ii) Trade Payables	198.66	-	-	-	-	-	-	-	-
(iii) Other Financial Liabilities	2.99	-	-	-	-	-	-	-	-
TOTAL	**797.92**	**45.46**	**-**	**-**	**45.46**	**-**	**-**	**45.46**	**45.46**

During the reporting period ending March 31, 2020 and March 31, 2019, there were no transfers between Level 1 and Level 2 fair value

IV. Description of significant unobservable inputs to valuation:

The following table shows the valuation techniques and inputs used for the financial instruments:

Particulars	As at March 31, 2020	As at March 31, 2019
Other Non-Current Financial Assets Borrowings (Non-Current)	Discounted Cash Flow method using the risk adjusted discount rate	

No, financial instruments have been routed through Other Comprehensive Income and hence separate reconciliation disclosure relating to the same is not applicable.

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(Rs. in lakhs)

39 - Related Party Disclosures

(a) Related Parties

- Key Management Personnel

Sr. No.	Name of KMP	Designation
1	Mr. Yogesh M. Shah	Managing Director
2	Mr. Jigar J. Shah	Chief Financial Officer
3	Mrs. Nipa N. Thakker	Company Secretary

- Relative of Key Management Personnel

Sr. No.	Name of Relative of KMP	Relationship
1	Ms. Krupa Y. Shah	Daughter of MD
2	Ms. Ruchi Y. Shah	Daughter of MD

- Entities controlled by Directors or their relatives

Sr. No	Name of the Company/ Firm	Capacity
1	Veerhealth Care Limited	Director
2	Krupa Wind Tech Private Limited	Director
3	Ruchi Windfarm Private Limited	Director
4	Arpan Housing Company	Proprietor
5	Daanish Engineering	Proprietor
6	Kunal Traders	Proprietor
7	Ratnakar Fasteners Private Limited	Director
8	Mehta Chetan & Associates	Proprietor

(b) Transactions with related parties:

Particulars	Key Management Personnel and their relatives	Entities controlled by Directors or their relatives	Total
Sale of machinery	-	5.90	**5.90**
	-	*43.54*	***43.54***
Salary	18.85	-	**18.85**
	14.30	-	***14.30***
Remuneration	10.50	-	**10.50**
	18.00	-	***18.00***
Sales	-	200.14	**200.14**
	-	*178.79*	***178.79***
Rent received	-	15.86	**15.86**
	-	*10.85*	***10.85***

Balance outstanding at the end of the year:

Particulars	Payable	Receivable	Total
Entities controlled by Directors or their relatives	-	5.17	**5.17**
	-	*137.13*	***137.13***

Previous years' figures are in italics

(c) Disclosure in respect of related party-wise transactions

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Sale of machinery		
Veerhealth Care Limited	5.90	43.54
Salaries		
Mr. Jigar J. Shah	8.45	7.80
Mrs. Nipa N. Thakker	3.25	2.99
Ms. Krupa Y. Shah	3.90	3.51
Ms. Ruchi Y. Shah	3.25	-
Remuneration		
Mr. Yogesh M. Shah	10.50	18.00
Sales		
Veerhealth Care Limited	200.14	178.79
Rent received		
Daanish Engineering	15.86	10.85

Balance outstanding:

Particulars	Payable		Receivable	
	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
Daanish Engineering	-	-	5.17	10.30
Veerhealth Care Limited	-	-	0.00	126.83

40 - Financial Risk Mangement and Objective Policies

The Company's financial risk management is an integral part of how to plan and execute its business strategies. The company's financial risk management policy is set by the Managing Board.

Market risk

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

The Company manages market risk through a Board of Directors, which evaluates and exercises independent control over the entire process of market risk management. The treasury department recommends risk management objectives and policies, which are approved by Senior Management and the Audit Committee. The activities of this department include management of cash resources, implementing hedging strategies for foreign currency exposures, borrowing strategies, and ensuring compliance with market risk limits and policies.

Interest rate risk

Interest rate risk is the risk that fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. In order to optimize the company's position with regards to the interest income and interest expenses and to manage the interest rate risk, treasury performs a comprehensive corporate interest rate risk management by balancing the proportion of fixed rate and floating rate financial instruments in it total portfolio.

The Company’s borrowings are primarily in fixed rate interest bearing investments. Hence, the Company is not significantly exposed to interest rate risk.

Foreign currency risk

The Company's export business does not carry any risk of foreign currency fluctuations. The Company has arrangement with the customers and accordingly customer bear the risk of foreign exchange fluctutations.

Credit risk

Credit risk arises from the possibility that counter party may not be able to settle their obligations as agreed. To manage this, the Company periodically assesses the financial reliability of customers, taking into account the financial condition, current economic trends, and analysis of historical bad debts and ageing of accounts receivable. Individual risk limits are set accordingly.

The Company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is significant increase in credit risk the company compares the risk of a default occurring an the asset at the reporting date with the risk of default as the date of initial recognition. It considers reasonable and supportive forwarding-looking information such as:

(i)Actual or expected significant adverse changes in business,
(ii)Actual or expected significant changes in the operating results of the counterparty.
(iii)Financial or economic conditions that are expected to cause a significant change to the counterparty's ability to mere its obligation,
(iv)Significant increase in credit risk on other financial instruments of the same counterparty.
(v)Significant changes in the value of the collateral supporting the obligation or in the quality of third-party guarantees or credit enhancements.

Financial assets are written off when there is no reasonable expectation of recovery, such as a debtor failing to engage in a repayment plan with the Company. The Company categorises a loan or receivable for write off when a debtor fails to make contractual payments greater than 2 years past due. Where loans or receivables have been written off, the Company continues to engage in enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognised in profit or loss.

I. Financial assets for which loss allowance is measured using 12 months Expected Credit Losses (ECL)		
		(Rs. in lakhs)
Particulars	**AS at 31.03.2020**	**As at 31.03.2019**
Business advances	-	-
Deposits	184.34	197.77
Other Advances	1,629.31	1,344.02
Total (A)	**1,813.64**	**1,541.79**

II. Financial assets for which loss allowance is measured using 12 months Life Time Expected Credit Losses (ECL)		
		(Rs. in lakhs)
Particulars		
Trade receivables	288.35	598.09
Total (A)	**288.35**	**598.09**

III. The ageing analysis of these receivables (gross of provision) has been considered from the date the invoice falls due		
		(Rs. in lakhs)
Particulars	**AS at 31.03.2020**	**As at 31.03.2019**
Within credit period		
Less than 6 months overdue	163.98	532.83
More than 6 months but within 12 months overdue	25.15	18.03
More than 1 year overdue	99.23	47.23
Total	**288.35**	**598.09**

IV. Provision for expected credit losses again "II" and "III" above

The company has assets where the counter- parties have sufficient capacity to meet the obligations and where the risk of default is very low. Hence based on historic default rates, the Company believes that, no impairment allowance is necessary in respect of above mentioned financial assets.

Liquidity Risk

Liquidity Risk is defined as the risk that the company will not be able to settle or meet its obligations on time or at reasonable price. The company's treasury department is responsible for liquidity, funding as well as settlement management. In addition, processes and policies related to such risks are overseen by senior management. Management monitors the company's net liquidity position through rolling forecast on the basis of expected cash flows.

Maturity profile of financial liabilities

The table below provides details regarding the remaining contractual maturities of financial liabilities at the reporting date based on contractual undiscounted payments.

(Rs. in lakhs)

Particulars	**As at March 31, 2020**			**As at March 31, 2019**		
	Less than 1 year	**1 to 5 years**	**Total**	**Less than 1 year**	**1 to 5 years**	**Total**
Borrowings	-	-	-	22.41	26.99	**49.41**
Trade payables	103.74	-	**103.74**	97.01	-	**97.01**
Others	176.81	22.41	**199.22**	26.00	-	**26.00**
Total	**280.56**	**22.41**	**302.97**	**145.42**	**26.99**	**172.41**

Capital management

For the purposes of the Company's capital management, capital includes issued capital and all other equity reserves. The primary objective of the Company's Capital Management is to maximise shareholder's value. The Company manages its capital structure and makes adjustments in the light of changes in economic environment and the requirement of the financial covenants.

The Company monitors capital using gearing ratio, which is total debt divided by total capital plus debt.

(Rs. in lakhs)

Particulars	**AS at 31.03.2020**	**As at 31.03.2019**
Total Debt	-	**22.41**
Equity	6,247.32	**6,213.74**
Capital and total debt	**6,247.32**	**6,236.15**
Gearing ratio	**0.00%**	**0.36%**

41. Discosure on Impact of COVID - 19 pandemic on Company

The Company is in the business of implementation and operation of projects in renewable energy sector and other construction activities. The Company face problems due to no policy for wind energy since last three years, and also the construction sector is also under recession. There will not be any material effect due to COVID 19 pendemic in FY 2019-20 as the lock down started w.e.f. 22nd March, 2020. But in FY 2020-21, the 1st quarter may be hit by the lock down and there may be some effect in the 2nd quarter also. The profitability will definitely be affected due to lockdown for almost three months. The exact effect can be judged only once situation becomes normal say from 3rd quarter onwards. Company is totally a debt free company hence do not have to worry about repayment of any debt liabilities. Most of the raw material are procured locally hence there will not be any problem of procurement of material. The Company employs only local labour, hence no problem of migrant labour. The management has not availed of any government relief extended to MSME. But the management may decide for any financial assistance offered by the bank or any financial institution in

42. Other matters

The Company has adjusted the outstanding amount in Suzlon group companies with Shruti Power Projects Pvt. Ltd. (a 100% subsidiary of Veer Energy and Infrastructure Limited in past), of Rs. 40800000/- as on 31st March, 2020, since 2016 onwards. The amount could not be settled by Suzlon group due to liquidity problems in that company, and it was showings inflated debit and credit of Rs. 40800000/- hence Company has decided to adjust the amount in books of accounts. The entry does not effect either profit or loss of the Company. Suzlon group had promised to adjust the amount vide triparty agreement dated 3rd August, 2016.

As per our report of even date attached

For M. H. Dalal & Associates
Chartered Accountants
Firm Registration Number: 112449W

Sd/-
Devang M. Dalal
Partner
Membership Number: 109049

Place: Mumbai
Date: July 30, 2020

For and on behalf of the board

Sd/-
Yogesh Shah
Managing Director
DIN: 00169189

Sd/-
Prakash Shah
Director
DIN: 01660194

Sd/-
Jigar Shah
Chief Financial Officer

Sd/-
Nipa Thakker
Company Secretary

Place: Mumbai
Date: July 30, 2020