

Independent Auditor's Report to the members of Inox Renewables (Jaisalmer) Limited

Report on the Ind AS Financial Statements

We have audited the accompanying Ind AS financial statements of **Inox Renewables (Jaisalmer) Limited** ("the Company"), which comprise the Balance Sheet as at 31 March 2018, the Statement of Profit and Loss (including Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards (Ind AS) prescribed under Section 133 of the Act.

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

Auditor's Responsibility

Our responsibility is to express an opinion on these Ind AS financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Ind AS financial statements are free from material misstatement.



Independent auditor's report to the members of Inox Renewables (Jaisalmer) Limited on the Ind AS financial statements for the year ended 31 March 2018 (continued)

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the Ind AS financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on these Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Ind AS, of the financial position of the Company as at 31 March 2018, and its financial performance including other comprehensive income, its cash flows and changes in equity for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure I Statement on the matters specified in paragraph 3 and 4 of the said 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 Other Comprehensive Income, the Statement of Cash Flows and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the aforesaid Ind AS financial statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act.
 - (e) On the basis of the written representations received from the directors as on 31 March 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2018 from being appointed as a director in terms of Section 164 (2) of the Act.



Independent auditor's report to the members of Inox Renewables (Jaisalmer) Limited on the Ind AS financial statements for the year ended 31 March 2018 (continued)

- (f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in Annexure II.
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company does not have any pending litigations which would impact its financial position;
 - ii. The Company did not have any long term contracts including derivative contracts, for which there were any material foreseeable losses; and
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

Other Matters

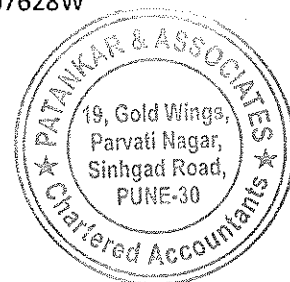
The Ind AS financial statements of the Company for the year ended 31 March 2017 were audited by another auditor who expressed an unmodified opinion on those financial statements on 12 May 2017.

For Patankar & Associates
Chartered Accountants
Firm's Registration No. 107628W



S S Agrawal
Partner
Membership No. 049051

Place: Pune
Date: 18 May 2018



Annexure I to Independent auditor's report to the members of Inox Renewables (Jaisalmer) Limited on the Ind AS financial statements for the year ended 31 March 2018 – referred to in paragraph 1 under the heading "Report on Other Legal and Regulatory Requirements" of our report of even date.

In term of the Companies (Auditor's Report) Order, 2016 ("the Order"), on the basis of information and explanation given to us and the books and records examined by us in the normal course of audit and such checks as we considered appropriate, to the best of our knowledge and belief, we state as under:

1. The Company does not have any fixed assets and hence the provisions of clause 3(i) of the Order are not applicable to the Company.
2. The Company does not have any inventories and hence the provisions of clause 3(ii) of the Order are not applicable to the Company.
3. The Company has granted unsecured loans, to one company covered in the register maintained under section 189 of the Companies Act, 2013. The terms and conditions of the said loans are not, prima facie, prejudicial to the interest of the Company. The said party is regular in repayment of principal and payment of interest, as stipulated, and there are no overdue amounts.
4. The Company has complied with the provisions of section 185 and section 186 of the Companies Act, 2013 in respect of loans given and investments made. The Company has not provided any guarantees or securities.
5. The Company has not accepted any deposits within the meaning of section 73 to 76 of the Companies Act, 2013 and the Rules framed thereunder and hence the provisions of clause 3(v) of the Order are not applicable to the Company.
6. We have broadly reviewed the books of account maintained by the Company pursuant to the Rules made by the Central Government for maintenance of cost records under section 148(1) of the Companies Act, 2013 for activities of the Company to which the said Rules are made applicable, and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained.
7. The Company is generally regular in depositing undisputed statutory dues including provident fund, income-tax, goods and service tax and any other material statutory dues with the appropriate authorities. No payments were due in respect of employee's state insurance, sales tax, service-tax, duty of customs, duty of excise, value added tax, cess, goods and service tax or any other material statutory dues. There are no undisputed amounts payable in respect of such statutory dues which were in arrears as at 31 March 2018 for a period of more than six months from the date they become payable


There are no dues of income-tax, sales tax, service tax, duty of customs, duty of excise or value added tax which have not been deposited on account of disputes.



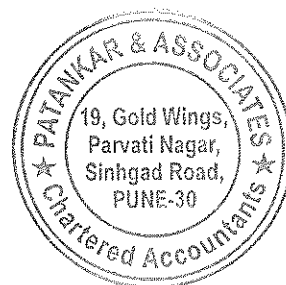
Annexure I to Independent auditor's report to the members of Inox Renewables (Jaisalmer) Limited on the Ind AS financial statements for the year ended 31 March 2018 (continued)

8. The Company has not defaulted in repayment of dues to financial institutions and the Company did not have any borrowings from bank and Government or by way of debentures.
9. The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) or term loans and hence the provisions of clause 3(ix) of the Order are not applicable to the Company.
10. No fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
11. The Company has complied with the provisions of section 197 of the Companies Act, 2013 regarding payment of managerial remuneration.
12. The Company is not a Nidhi Company and hence the provisions of clause 3(xii) of the Order are not applicable to the Company.
13. All transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 and the details have been disclosed in the financial statements etc. as required by the applicable accounting standards.
14. The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence the provisions of clause 3(xiv) of the Order are not applicable to the Company.
15. The Company has not entered into any non-cash transactions with directors or persons connected with them and hence the provisions of clause 3(xv) of the Order are not applicable to the Company.
16. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 and hence the provisions of clause 3(xvi) of the Order are not applicable to the Company.

For Patankar & Associates
Chartered Accountants
Firm's Registration No. 107628W


S S Agrawal
Partner
Membership No. 049051

Place: Pune
Date: 18 May 2018



Annexure II to Independent Auditor's Report to the members of Inox Renewables (Jaisalmer) Limited on the Ind AS financial statements for the year ended 31 March 2018-- referred to in paragraph 2(f) under the heading "Report on Other Legal and Regulatory Requirements" of our report of even date.

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

We have audited the internal financial controls with reference to financial statements of Inox Renewables (Jaisalmer) Limited ("the Company") as of 31 March 2018 in conjunction with our audit of the Ind AS 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 controls 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 ("the ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to 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 financial statements and their operating effectiveness.

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



Annexure II to Independent Auditor's Report to the members of Inox Renewables (Jaisalmer) Limited on the Ind AS financial statements for the year ended 31 March 2018 (continued)

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 financial statements.

Meaning of Internal Financial Controls with reference to Financial Statements

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

Inherent Limitations of Internal Financial Controls with reference to Financial Statements

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at 31 March 2018, based on the internal controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

For Patankar & Associates
Chartered Accountants
Firm's Registration No. 107628W



S S Agrawal
Partner
Membership No. 049051

Place: Pune
Date: 18 May 2018



INOX RENEWABLES (JAISALMER) LIMITED
Balance Sheet as at 31 March 2018

(Rs. in Lakhs)

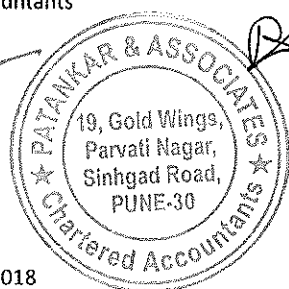
Particulars	Notes	As at 31 March 2018	As at 31 March 2017
ASSETS			
1 Non-current assets			
(a) Property, plant and equipment	5	-	-
(b) Financial assets			
(i) Investments	6	0.29	0.20
(c) Income tax assets (net)	7	-	5.93
Total non-current assets		0.29	6.13
2 Current assets			
(a) Financial assets			
(i) Trade receivables	8	-	1,081.76
(ii) Cash and cash equivalents	9	448.16	7.50
(iii) Bank balances other than (ii) above	10	-	179.42
(iv) Loans	11	14,721.76	4,239.99
(v) Other current financial assets	12	30.23	416.66
(b) Other current assets	13	-	11.60
Total current assets		15,200.15	5,936.93
3 Assets held for sale	14	-	29,511.06
Total assets		15,200.44	35,454.12
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	15	10,605.00	10,605.00
(b) Other equity	16	3,291.60	2,260.63
Total equity		13,896.60	12,865.63
LIABILITIES			
1 Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	17	-	19,464.41
(b) Provisions	18	9.61	0.32
(c) Deferred tax liabilities (net)	19	-	529.63
Total non-current Liabilities		9.61	19,994.36
2 Current liabilities			
(a) Financial liabilities			
(i) Trade payables	20	148.61	-
(ii) Other financial liabilities	21	364.25	2,574.18
(b) Provisions	18	21.42	17.11
(c) Other current liabilities	22	43.10	2.84
(d) Current tax liabilities (net)	7	716.85	-
Total current liabilities		1,294.23	2,594.13
Total equity and liabilities		15,200.44	35,454.12

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

As per our report of even date attached

For Patankar & Associates
Chartered Accountants

S S Agrawal
Partner



Place: Pune
Date: 18 May 2018

For Inox Renewables (Jaisalmer) Limited

Director

Director

Company Secretary

Place: Noida
Date: 18 May 2018

INOX RENEWABLES (JAISALMER) LIMITED

Statement of Profit and Loss for the year ended 31 March 2018

(Rs. in Lakhs)

Particulars	Notes	Year ended 31 March 2018	Year ended 31 March 2017
Revenue			
Revenue from operations	23	4,502.86	5,290.53
Other income	24	1,744.09	703.41
Total revenue		6,246.95	5,993.94
Expenses			
Operation and maintenance charges	25	576.63	583.21
Employee benefits expense	26	89.95	73.25
Finance costs	27	1,078.80	2,453.37
Depreciation	28	-	1,552.61
Other expenses	29	2,510.62	110.02
Total expenses		4,256.00	4,772.46
Profit before exceptional items and tax		1,990.95	1,221.48
Less: exceptional items	38	519.97	329.13
Profit before tax		1,470.98	892.35
Tax expense:	34		
Current tax		1,760.00	261.01
MAT credit entitlement		-	(261.01)
Deferred tax charge/(credit)		(1,343.58)	1,017.15
Taxation pertaining to earlier years		20.82	2.33
		437.24	1,019.48
Profit/(loss) for the year		1,033.74	(127.13)
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Remeasurements of the defined benefit plans		(2.77)	1.55
Tax on above		-	(0.54)
Total other comprehensive income		(2.77)	1.01
Total comprehensive income for the year		1,030.97	(126.12)
(Comprising Profit/(loss) & other comprehensive income for the year)			
Basic and diluted earnings per equity share of Rs. 10 each (in Rs.)	30	0.97	(0.12)

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

As per our report of even date attached

For Patankar & Associates

Chartered Accountants

S S Agrawal
PartnerPlace: Pune
Date: 18 May 2018

For Inox Renewables (Jaisalmer) Limited

Director

Place: Noida
Date: 18 May 2018

Director

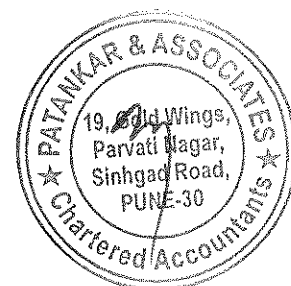
Company Secretary

INOX RENEWABLES (JAISALMER) LIMITED

Statement of cash flows for the year ended 31 March 2018

(Rs. in Lakhs)

Particulars	Year ended 31 March 2018	Year ended 31 March 2017
A. Cash flow from operating activities:		
Profit / (loss) for the year after tax	1,033.74	(127.13)
Adjustments for:		
Tax expense	437.24	1,019.48
Depreciation expense	-	1,552.61
Finance costs	1,078.80	2,453.37
Loss on disposal of assets	-	0.06
Allowance for doubtful trade receivables reversed	(38.25)	(72.30)
Loss on measurement of non-current assets held for sale	390.00	329.13
Interest income	(1,691.19)	(630.81)
Operating Profit before Working Capital changes	1,210.34	4,524.41
Movements in working capital:		
(Increase)/decrease in trade receivables	1,120.01	2,598.35
(Increase)/decrease in loans to employees	0.45	(0.45)
(Increase)/decrease in other current financial assets	386.43	(416.66)
(Increase)/decrease in other current assets	11.60	41.27
Increase/(decrease) in trade payables	148.61	(152.52)
Increase/(decrease) in other current liabilities	40.26	(0.21)
Increase/(decrease) in provisions	13.60	1.43
Increase/(decrease) in other financial liabilities	324.70	3.04
Cash generated from operations	3,256.00	6,598.66
Income tax paid (net)	(246.86)	(139.16)
Net cash generated from operating activities	3,009.14	6,459.50
B. Cash flow from investing activities:		
Interest received	1,458.56	581.46
Movement in other bank balances	179.42	(12.76)
Inter corporate deposit given	(13,457.45)	(6,509.63)
Inter corporate deposit received back	3,207.77	3,315.40
Amount received on transfer of assets held for sale	29,121.06	-
Net cash generated from/(used in) investing activities	20,509.36	(2,625.53)



INOX RENEWABLES (JAISALMER) LIMITED**Statement of cash flows for the year ended 31 March 2018 - continued****(Rs. in Lakhs)**

Particulars	Year ended 31 March 2018	Year ended 31 March 2017
C. Cash flow from financing activities:		
Repayment of Non - current borrowings	(20,899.62)	(1,361.87)
Proceeds from short term borrowings	-	1,519.08
Repayment of short term borrowings	-	(1,519.08)
Finance costs	(2,178.22)	(2,533.11)
Net cash used in financing activities	(23,077.84)	(3,894.98)
Net increase/(decrease) in cash and cash equivalents	440.66	(61.02)
Cash and cash equivalents as at the beginning of the year	7.50	68.52
Cash and cash equivalents as at the end of the year	448.16	7.50

Changes in liabilities arising from financing activities during the year ended 31 March 2018**(Rs. in Lakhs)**

Particulars	Non Current borrowing
Opening balance	21,999.04
Interest expense	1,015.68
Cash flows	(23,014.72)
Closing balance	-

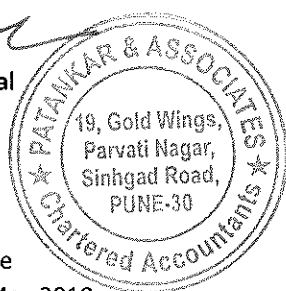

Notes:

1. The above statement of cash flows has been prepared under the Indirect method.
2. Components of cash and cash equivalents are as per Note 9
3. The accompanying notes are an integral part of the financial statements.

As per our report of even date attached


For Patankar & Associates

Chartered Accountants


S S Agrawal
 Partner

 Place: Pune
 Date: 18 May 2018
For Inox Renewables (Jaisalmer) Limited

 Director


 Director


 Company Secretary


 Place: Noida
 Date: 18 May 2018

INOX RENEWABLES (JAISALMER) LIMITED**Statement of Changes in Equity for the year ended 31 March 2018****A. Equity share capital****(Rs. in Lakhs)**

Particulars	
Balance as at 1 April 2016	10,605.00
Changes in equity share capital during the year	-
Balance as at 31 March 2017	10,605.00
Changes in equity share capital during the year	-
Balance as at 31 March 2018	10,605.00

B. Other equity**(Rs. in Lakhs)**

Reserves and surplus - Retained earnings	
Balance as at 1 April 2016	2,386.75
Additions during the year:	
Loss for the year	(127.13)
Other comprehensive income for the year, net of income tax (*)	1.01
Total comprehensive income for the year	(126.12)
Balance as at 31 March 2017	2,260.63
Additions during the year:	
Profit for the year	1,033.74
Other comprehensive income for the year, net of income tax (*)	(2.77)
Total comprehensive income for the year	1,030.97
Balance as at 31 March 2018	3,291.60

(*) Other comprehensive income for the year classified under retained earnings is in respect of remeasurement of defined benefit plans.

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

As per our report of even date attached

For Patankar & Associates

Chartered Accountants

SS Agrawal
S S Agrawal
 Partner



Place: Pune
 Date: 18 May 2018

For Inox Renewables (Jaisalmer) Limited

[Signature]
 Director

[Signature]
 CFO

Place: Noida
 Date: 18 May 2018

[Signature]
 Director

[Signature]
 Company Secretary

Inox Renewables (Jaisalmer) Limited
Notes to the financial statements for the year ended 31 March 2018

1. Company information

Inox Renewables (Jaisalmer) Limited (the "Company") is engaged in the business of generation and sale of wind energy. The Company is a subsidiary of Inox Renewables Limited, which is a subsidiary of Gujarat Fluorochemicals Limited and its ultimate holding company is Inox Leasing and Finance Limited. All the activities of the Company are in India.

The registered office of the Company is situated at ABS Tower, Second Floor, Old Padra Road, Vadodara, Gujarat.

2. Statement of compliance and basis of preparation and presentation

2.1 Statement of Compliance

These financial statements of the Company comply in all material aspects with the Indian Accounting Standards ("Ind AS") notified under section 133 of the Companies Act, 2013 ("the Act") and other relevant provisions of the Act.

2.2 Basis of Measurement

These financial statements are presented in Indian Rupees (INR), which is also the Company's functional currency. All amounts have been rounded-off to the nearest lakhs, unless otherwise indicated.

These financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the significant accounting policies.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

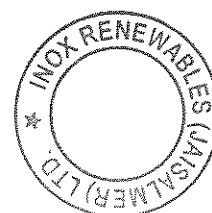
Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

2.3 Basis of Preparation and Presentation

Effective 1 April 2016, the Company has adopted all the Ind AS Standards and the adoption was carried out in accordance with Ind AS 101 'First time adoption of Indian Accounting Standards', with 1 April 2015 as the transition date. The transition was carried out from the accounting standards notified under Companies (Accounting Standards) Rules, 2006 (as amended), which was the Previous GAAP.



Inox Renewables (Jaisalmer) Limited
Notes to the financial statements for the year ended 31 March 2018

Accounting policies have been consistently applied except where a newly issued accounting standards initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

The financial statements have been prepared on accrual and going concern basis.

Any asset or liability is classified as current if it satisfies any of the following conditions:

- the asset/liability is expected to be realized/settled in the Company's normal operating cycle;
- the asset is intended for sale or consumption;
- the asset/liability is held primarily for the purpose of trading;
- the asset/liability is expected to be realized/settled within twelve months after the reporting period
- the asset is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date;
- in the case of a liability, the Company does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

All other assets and liabilities are classified as non-current.

For the purpose of current/non-current classification of assets and liabilities, the Company has ascertained its normal operating cycle as twelve months.

These financial statements were authorized for issue by the Company's Board of Directors on 18 May 2018.

3. Significant Accounting Policies

3.1 Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable and is recognised when it is probable that the economic benefits associated with the transaction will flow to the Company and the amount of income can be measured reliably. Revenue is reduced for rebates, trade discounts, refunds and other similar allowances. Revenue is net of service tax, sales tax, value added tax, goods and service tax and other similar taxes.

3.1.1 Sale of electricity

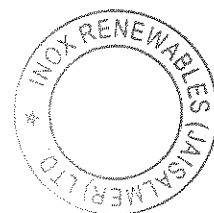
Revenue from generation and sale of electricity is recognized on the basis of actual power sold (net of reactive energy consumed) in accordance with the terms of the power purchase agreements entered with the respective customers and when no significant uncertainty exists regarding the amount of consideration that will be derived.

3.1.2 Other income

Interest income from a financial asset is recognised on time basis, by reference to the principal outstanding at the effective interest rate applicable, which is the rate which exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition. Insurance claims are recognised to the extent there is a reasonable certainty of the realisation of the claim amount.

3.2 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.



Inox Renewables (Jaisalmer) Limited
Notes to the financial statements for the year ended 31 March 2018

Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

3.3 Employee benefits

3.3.1 Retirement benefit costs

Recognition and measurement of defined contribution plans:

Payments to defined contribution retirement benefit plans viz. Government administered provident and pension schemes are recognised as an expense when employees have rendered service entitling them to the contributions.

Recognition and measurement of defined benefit plans:

For defined benefit plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest), is reflected immediately in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Remeasurement recognised in other comprehensive income is reflected immediately in retained earnings and is not reclassified to profit or loss. Past service cost is recognised in profit or loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorised as follows:

- a. service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- b. net interest expense or income; and
- c. remeasurement

The Company presents the first two components of defined benefit costs in profit or loss in the line item 'Employee benefits expense'. Curtailment gains and losses are accounted for as past service costs.

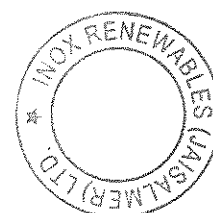
The retirement benefit obligation recognised in the balance sheet represents the actual deficit or surplus in the Company's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

3.3.2 Short-term and other long-term employee benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave and sick leave in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

Liabilities recognised in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Company in respect of services provided by employees up to the reporting date.



Inox Renewables (Jaisalmer) Limited
Notes to the financial statements for the year ended 31 March 2018

3.4 Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

3.4.1 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, items that are never taxable or deductible and tax incentives. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

3.4.2 Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

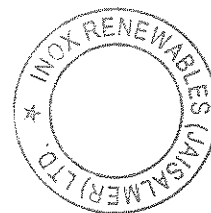
Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

3.4.3 Presentation of current and deferred tax:

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

The Company offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously. In case of deferred tax assets and deferred tax liabilities, the same are offset if the Company has a legally enforceable right to set off corresponding current tax assets against current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority on the Company.



Inox Renewables (Jaisalmer) Limited
Notes to the financial statements for the year ended 31 March 2018

3.5 Property, plant and equipment

An item of property, plant and equipment (PPE) that qualifies as an asset is measured on initial recognition at cost. Following initial recognition PPE are carried at cost, as reduced by accumulated depreciation and impairment losses, if any.

The Company identifies and determines cost of each part of an item of property, plant and equipment separately, if the part has a cost which is significant to the total cost of that item of property, plant and equipment and has useful life that is materially different from that of the remaining item.

Cost comprises of purchase price / cost of construction, including non-refundable taxes or levies and any expenses attributable to bring the PPE to its working condition for its intended use. Project pre-operative expenses and expenditure incurred during construction period are capitalized to various eligible PPE. Borrowing costs directly attributable to acquisition or construction of qualifying PPE are capitalised.

Spare parts, stand-by equipment and servicing equipment that meet the definition of property, plant and equipment are capitalized at cost and depreciated over their useful life. Costs in nature of repairs and maintenance are recognized in the Statement of Profit and Loss as and when incurred.

Cost of assets not ready for intended use, as on the Balance Sheet date, is shown as capital work in progress. Advances given towards acquisition of property, plant and equipment outstanding at each Balance Sheet date are disclosed as Other Non-current assets.

Depreciation is recognised so as to write off the cost of PPE (other than freehold land and properties under construction) less their residual values over their useful lives, using the straight-line method. The useful lives prescribed in Schedule II to the Companies Act, 2013 are considered as the minimum lives. If the management's estimate of the useful life of property, plant and equipment at the time of acquisition of the asset or of the remaining useful life on a subsequent review is shorter than that envisaged in the aforesaid schedule, depreciation is provided at a higher rate based on the management's estimate of the useful life/remaining useful life. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

PPE are depreciated over its estimated useful lives, determined as under:

- Freehold land is not depreciated.
- On other items of PPE, on the basis of useful life as per Part C of Schedule II to the Companies Act, 2013.

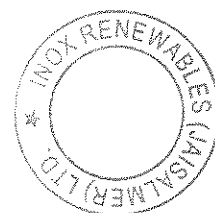
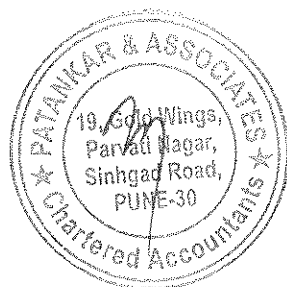
The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from its use or disposal. 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 asset and is recognised in profit or loss.

For transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognised as of 1 April 2015 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

3.6 Impairment of tangible assets

At the end of each reporting period, the Company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the



Inox Renewables (Jaisalmer) Limited

Notes to the financial statements for the year ended 31 March 2018

impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified. Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted. If it is not possible to measure fair value less cost of disposal because there is no basis for making a reliable estimate of the price at which an orderly transaction to sell the asset would take place between market participants at the measurement dates under market conditions, the asset's value in use is used as recoverable amount.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

3.7 Provisions and contingencies

The Company recognizes provisions when a present obligation (legal or constructive) as a result of a past event exists and it is probable that an outflow of resources embodying economic benefits will be required to settle such obligation and the amount of such obligation can be reliably estimated.

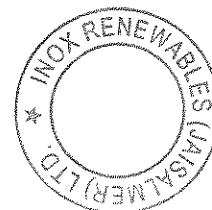
The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. If the effect of time value of money is material, provisions are discounted 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 recognised as a finance cost.

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not require an outflow of resources embodying economic benefits or the amount of such obligation cannot be measured reliably.

When there is a possible obligation or a present obligation in respect of which likelihood of outflow of resources embodying economic benefits is remote, no provision or disclosure is made.

3.8 Financial instruments

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



Inox Renewables (Jaisalmer) Limited
Notes to the financial statements for the year ended 31 March 2018

A] Financial assets

a) Initial recognition and measurement:

Financial assets are recognised when the Company becomes a party to the contractual provisions of the instrument. On initial recognition, a financial asset is recognised at fair value, in case of financial assets which are recognised at fair value through profit and loss (FVTPL), its transaction costs are recognised in the statement of profit and loss. In other cases, the transaction costs are attributed to the acquisition value of the financial asset.

b) Effective interest method:

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL. Interest income is recognised in profit or loss and is included in the "Other income" line item.

c) Subsequent measurement:

For subsequent measurement, the Company classifies a financial asset in accordance with the below criteria:

- i. The Company's business model for managing the financial asset and
- ii. The contractual cash flow characteristics of the financial asset.

Based on the above criteria, the Company classifies its financial assets into the following categories:

i. Financial assets measured at amortized cost:

A financial asset is measured at the amortized cost if both the following conditions are met:

- a) The Company's business model objective for managing the financial asset is to hold financial assets in order to collect contractual cash flows, and
- b) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

This category applies to cash and bank balances, trade receivables, loans and other financial assets of the Company. Such financial assets are subsequently measured at amortized cost using the effective interest method.

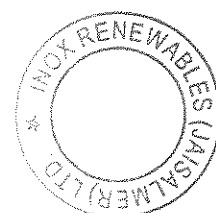
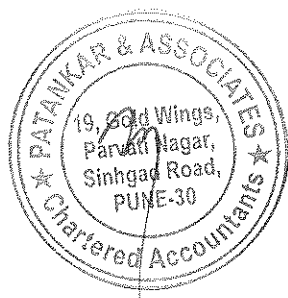
The amortized cost of a financial asset is also adjusted for loss allowance, if any.

ii. Financial assets measured at FVTOCI:

A financial asset is measured at FVTOCI if both of the following conditions are met:

- a) The Company's business model objective for managing the financial asset is achieved both by collecting contractual cash flows and selling the financial assets, and
- b) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Investments in equity instruments, classified under financial assets, are initially measured at fair value. The Company may, on initial recognition, irrevocably elect to measure the same either at FVTOCI or FVTPL. The



Inox Renewables (Jaisalmer) Limited
Notes to the financial statements for the year ended 31 March 2018

Company makes such election on an instrument-by-instrument basis. Fair value changes on an equity instrument are recognised as other income in the Statement of Profit and Loss unless the Company has elected to measure such instrument at FVTOCI.

The Company does not have any financial assets in this category.

iii. Financial assets measured at FVTPL:

A financial asset is measured at FVTPL unless it is measured at amortized cost or at FVTOCI as explained above. This is a residual category applied to all other investments of the Company. Such financial assets are subsequently measured at fair value at each reporting date. Fair value changes are recognized in the Statement of Profit and Loss.

d) Derecognition:

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognized (i.e. removed from the Company's Balance Sheet) when any of the following occurs:

- i. The contractual rights to cash flows from the financial asset expires;
- ii. The Company transfers its contractual rights to receive cash flows of the financial asset and has substantially transferred all the risks and rewards of ownership of the financial asset;
- iii. The Company retains the contractual rights to receive cash flows but assumes a contractual obligation to pay the cash flows without material delay to one or more recipients under a 'pass-through' arrangement (thereby substantially transferring all the risks and rewards of ownership of the financial asset);
- iv. The Company neither transfers nor retains substantially all risk and rewards of ownership and does not retain control over the financial asset.

In cases where Company has neither transferred nor retained substantially all of the risks and rewards of the financial asset, but retains control of the financial asset, the Company continues to recognize such financial asset to the extent of its continuing involvement in the financial asset. In that case, the Company also recognizes an associated liability.

The financial asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

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

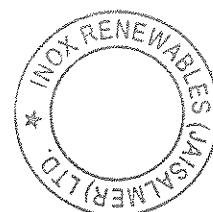
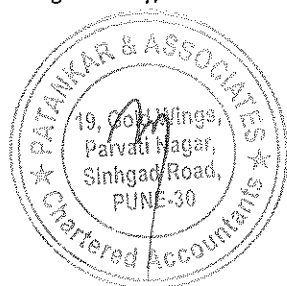
e) Impairment of financial assets:

The Company applies expected credit losses (ECL) model for measurement and recognition of loss allowance on the following:

- i. Trade receivables
- ii. Financial assets measured at amortized cost (other than trade receivables)
- iii. Financial assets measured at fair value through other comprehensive income (FVTOCI)

In case of trade receivables, the Company follows a simplified approach wherein an amount equal to lifetime ECL is measured and recognized as loss allowance.

In case of other assets (listed as ii and iii above), the Company determines if there has been a significant increase in credit risk of the financial asset since initial recognition. If the credit risk of such assets has not increased significantly, an amount equal to 12-month ECL is measured and recognized as loss allowance.



Inox Renewables (Jaisalmer) Limited
Notes to the financial statements for the year ended 31 March 2018

However, if credit risk has increased significantly, an amount equal to lifetime ECL is measured and recognized as loss allowance.

Subsequently, if the credit quality of the financial asset improves such that there is no longer a significant increase in credit risk since initial recognition, the Company reverts to recognizing impairment loss allowance based on 12-month ECL.

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 effective interest rate.

12-month ECL are a portion of the lifetime ECL which result from default events that are possible within 12 months from the reporting date. Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial asset.

ECL are measured in a manner that they reflect unbiased and probability weighted amounts determined by a range of outcomes, taking into account the time value of money and other reasonable information available as a result of past events, current conditions and forecasts of future economic conditions.

As a practical expedient, the Company uses a provision matrix to measure lifetime ECL on its portfolio of trade receivables. The provision matrix is prepared based on historically observed default rates over the expected life of trade receivables and is adjusted for forward-looking estimates. At each reporting date, the historically observed default rates and changes in the forward-looking estimates are updated.

ECL impairment loss allowance (or reversal) recognized during the period is recognized as expense/income in the Statement of Profit and Loss under the head 'Other expenses' / 'Other income'.

B] Financial liabilities and equity instruments

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

i. Equity instruments:-

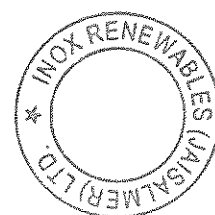
An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company member are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

ii. Financial liabilities:-

a) Initial recognition and measurement:

Financial liabilities are recognised when the company becomes a party to the contractual provisions of the instrument. Financial liabilities are initially measured at fair value.



Inox Renewables (Jaisalmer) Limited
Notes to the financial statements for the year ended 31 March 2018

b) Subsequent measurement:

Financial liabilities are subsequently measured at amortised cost using the effective interest rate method. Financial liabilities carried at fair value through profit or loss are measured at fair value with all changes in fair value recognised in the Statement of Profit and Loss.

The Company has not designated any financial liability as at FVTPL.

c) Derecognition of financial liabilities:

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 between the carrying amount of the financial liability derecognized and the consideration paid is recognized in the Statement of Profit and Loss.

3.9 Earnings Per Share

Basic earnings per share is computed by dividing the net profit for the period attributable to the equity shareholders of the Company by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares that have changed the number of equity shares outstanding, without a corresponding change in resources.

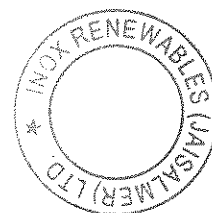
For the purpose of calculating diluted earnings per share, the net profit for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

3.10 Recent accounting pronouncements

- a) On 28 March 2018, the Ministry of Corporate Affairs has notified Ind AS 115, 'Revenue from contracts with customers' which is applicable to the Company from 1 April 2018. The main principle of the new standard is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. This amendment has no impact on the financial statements of the Company
- b) On 28 March 2018, the Ministry of Corporate Affairs has issued the Companies (Indian Accounting Standards) Amendments Rules, 2018 containing Appendix B to Ind AS 21, foreign currency transactions and advance consideration which clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency. This amendment has no impact on the financial statements of the Company

4 Critical accounting judgements and use of estimates

In application of Company's accounting policies, which are described in Note 3, the directors of the Company are required to make judgements, estimations and assumptions about the carrying value of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.



Inox Renewables (Jaisalmer) Limited
Notes to the financial statements for the year ended 31 March 2018

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of revision or future periods if the revision affects both current and future periods.

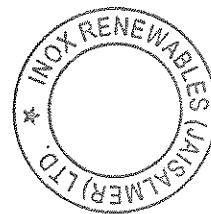
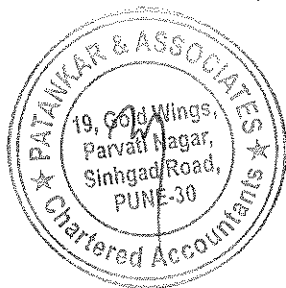
Following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

a) Useful lives of property, plant and equipment:

The Company has adopted useful lives of PPE as described in Note 3.5 above. The Company reviews the estimated useful lives of PPE at the end of each reporting period.

b) Other assumptions and estimation uncertainties, included in respective notes are as under:

- Estimation of current tax expense and payable, recognition of deferred tax assets and possibility of utilizing available tax credits – see Note 34
- Measurement of defined benefit obligations and other long-term employee benefits: – see Note 32



INOX RENEWABLES (JAISALMER) LIMITED

Notes to the financial statements for the year ended 31 March 2018

5 : Property, plant and equipment

(Rs. in Lakhs)

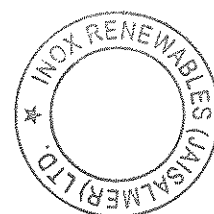
Particulars	As at 31 March 2018	As at 31 March 2017
Carrying amount of:		
Plant and equipment	-	-
Office equipments	-	-
TOTAL	-	-

5A: Property, plant and equipment

(Rs. in Lakhs)

Description of Assets	Plant and equipment	Office equipment	Total
Cost or Deemed cost			
Balance as at 1 April 2016	32,954.55	0.09	32,954.64
Disposals	-	(0.09)	(0.09)
Reclassified as held for sale	(32,954.55)	-	(32,954.55)
Balance as at 31 March 2017	-	-	-
Balance as at 31 March 2018	-	-	-

Accumulated depreciation			
Balance as at 1 April 2016	1,661.64	0.02	1,661.66
Depreciation for the year	1,552.61	-	1,552.61
Eliminated on disposals of assets	-	(0.02)	(0.02)
Eliminated on reclassification as held for sale	(3,214.25)	-	(3,214.25)
Balance as at 31 March 2017	-	-	-
Balance as at 31 March 2018	-	-	-



INOX RENEWABLES (JAISALMER) LIMITED
Notes to the financial statements for the year ended 31 March 2018

6 : Investments

Non-Current

(Rs. in Lakhs)

Particulars	As at 31 March 2018	As at 31 March 2017
Investment in Government securities (unquoted, fully paid up, carried at amortised cost)		
National Saving Certificates	0.29	0.20
Total	0.29	0.20

Category-wise other investments – as per Ind AS 109 classification

Investment carried at amortised cost	0.29	0.20
--------------------------------------	------	------

Investment in National Savings Certificates (NSC) carry interest @ 8.60% p.a. Interest is compounded on yearly basis and receivable on maturity. These NSCs are pledged with Government authorities and held in the name of a director of the Company.

7 : Income-tax assets and Income-tax liabilities

Income tax assets (net)

Non-Current

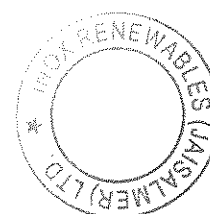
(Rs. in Lakhs)

Particulars	As at 31 March 2018	As at 31 March 2017
Income tax paid (net of provisions)	-	5.93
Total	-	5.93

Income-tax liabilities (net)

Current

Particulars	As at 31 March 2018	As at 31 March 2017
Provision for Income tax (net of payments)	716.85	-
Total	716.85	-



INOX RENEWABLES (JAISALMER) LIMITED

Notes to the financial statements for the year ended 31 March 2018

8 : Trade receivables**Current**

(Rs. in Lakhs)

Particulars	As at 31 March 2018	As at 31 March 2017
Unsecured, considered good	-	1,081.76
Unsecured, considered doubtful	-	38.25
Less: Allowances for expected credit losses	-	1,120.01 (38.25)
Total	-	1,081.76

9 : Cash and cash equivalents

(Rs. in Lakhs)

Particulars	As at 31 March 2018	As at 31 March 2017
Balances with banks		
(i) In current accounts	23.16	7.50
Bank deposits with original maturity upto 3 months	425.00	-
Total	448.16	7.50

10 : Other bank balances

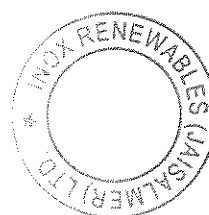
(Rs. in Lakhs)

Particulars	As at 31 March 2018	As at 31 March 2017
Bank deposits with original maturity period of more than 3 months but less than 12 months	-	179.42
Total	-	179.42

11 : Loans**Current**

(Rs. in Lakhs)

Particulars	As at 31 March 2018	As at 31 March 2017
Loan to related parties (see Note 31)		
Inter corporate deposits	14,721.76	4,239.54
Loan to employees	-	0.45
Total	14,721.76	4,239.99



INOX RENEWABLES (JAISALMER) LIMITED

Notes to the financial statements for the year ended 31 March 2018

12 : Other financial assets**Current**

(Rs. in Lakhs)

Particulars	As at 31 March 2018	As at 31 March 2017
Other receivables		
From related parties (see Note 31)	-	416.66
From others	30.23	-
Total	30.23	416.66

13 : Other assets**Current**

(Rs. in Lakhs)

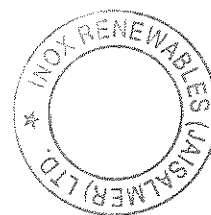
Particulars	As at 31 March 2018	As at 31 March 2017
Prepayments	-	11.60
Total	-	11.60

14 : Assets held for sale

(Rs. in Lakhs)

Particulars	As at 31 March 2018	As at 31 March 2017
Property, plant and equipment held for sale (see Note 38)	-	29,511.06
Total	-	29,511.06

Assets held for sale include amount of Rs. Nil (31 March 2017: Rs. 29,740.31 lakhs) in respect of assets pledged as security for borrowings.



INOX RENEWABLES (JAISALMER) LIMITED
Notes to the financial statements for the year ended 31 March 2018

15 : Equity share capital

(Rs. in Lakhs)

Particulars	As at 31 March 2018	As at 31 March 2017
Authorised: 106,100,000 equity shares (31 March 2017: 106,100,000) of Rs. 10 each	10,610.00	10,610.00
Issued, subscribed and fully paid up: 106,050,000 equity shares (31 March 2017: 106,050,000) of Rs. 10 each	10,605.00	10,605.00
	10,605.00	10,605.00

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

Particulars	As at 31 March 2018		As at 31 March 2017	
	No. of shares	Amount (Rs. in lakhs)	No. of shares	Amount (Rs. in lakhs)
Outstanding at the beginning of the year	106,050,000	10,605.00	106,050,000	10,605.00
Outstanding at the end of the year	106,050,000	10,605.00	106,050,000	10,605.00

b) Rights, preferences and restrictions attached to equity shares

The Company has only one class of equity shares having par value of Rs. 10 per share. Each shareholder is eligible for one vote per share held and entitled to receive dividend as declared from time to time. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive the remaining assets of the Company, in proportion of their shareholding.

c) Shares held by holding company

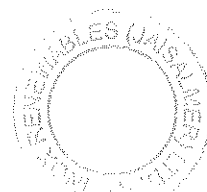
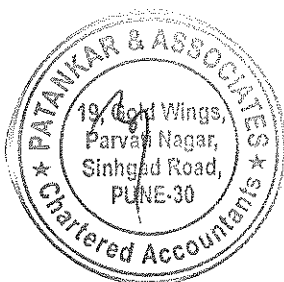
Particulars	As at 31 March 2018		As at 31 March 2017	
	No. of shares	% of holding	No. of shares	% of holding
Inox Renewables Limited (*)	106,050,000	100.00%	106,050,000	100.00%
Total	106,050,000	100.00%	106,050,000	100.00%

(*) Including shares held through nominee shareholders

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

Name of shareholder	As at 31 March 2018		As at 31 March 2017	
	No. of shares	% of holding	No. of shares	% of holding
Inox Renewables Limited (*)	106,050,000	100.00%	106,050,000	100.00%
Total	106,050,000	100.00%	106,050,000	100.00%

(*) Including shares held through nominee shareholders



INOX RENEWABLES (JAISALMER) LIMITED

Notes to the financial statements for the year ended 31 March 2018

16 : Other equity**(Rs. in Lakhs)**

Particulars	As at 31 March 2018	As at 31 March 2017
Retained earnings	3,291.60	2,260.63
Total	3,291.60	2,260.63

Retained earnings**(Rs. in Lakhs)**

Particulars	As at 31 March 2018	As at 31 March 2017
Balance as at beginning of year	2,260.63	2,386.75
Profit/(loss) attributable to owners of the Company	1,033.74	(127.13)
Other comprehensive income for the year, net of income tax	(2.77)	1.01
Balance as at the end of year	3,291.60	2,260.63

The amount that can be distributed by the Company as dividends to its equity shareholders is determined considering the requirements of the Companies Act, 2013 and is subject to levy of dividend distribution tax, if any. Thus, the amounts reported above may not be distributable in entirety.

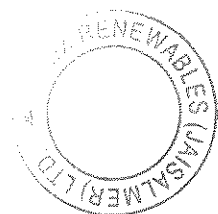
17 : Non-current borrowings**(Rs. in Lakhs)**

Particulars	As at 31 March 2018	As at 31 March 2017
Secured borrowings		
i) Term loans		
- from financial institution	-	21,999.04
Less: amount disclosed under Note 21: other financial liabilities		
-Current maturities	-	(1,435.21)
-Interest accrued	-	(1,099.42)
Total	-	19,464.41

The terms of repayment of loans is as under: -

The Rupee term loan from International Finance Corporation carried interest @ 11.44% p.a and was repayable in half yearly installments varied between 14 October 2013 and 14 April 2027 and was secured by:

- Hypothecation of all movable and immovable fixed assets including cash flows and receivables of project assets of the Dangri (64MW) wind farm.
- Corporate guarantee issued by Inox Renewables Limited (the holding company)



INOX RENEWABLES (JAISALMER) LIMITED

Notes to the financial statements for the year ended 31 March 2018

18 : Provisions**Non-Current**

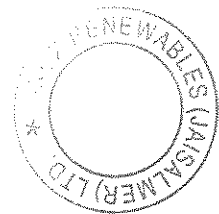
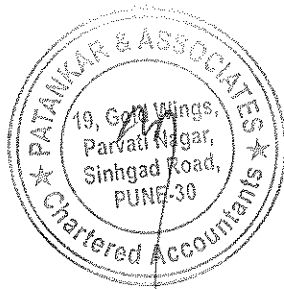
(Rs. in Lakhs)

Particulars	As at 31 March 2018	As at 31 March 2017
Provision for employee benefits (see Note 32)		
Gratuity	5.35	0.14
Compensated absences	4.26	0.18
Total	9.61	0.32

Current

(Rs. in Lakhs)

Particulars	As at 31 March 2018	As at 31 March 2017
Provision for employee benefits (see Note 32)		
Gratuity	11.68	10.00
Compensated absences	9.74	7.11
Total	21.42	17.11

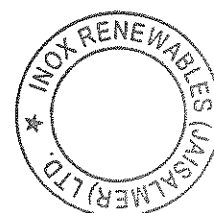


INOX RENEWABLES (JAISALMER) LIMITED
Notes to the financial statements for the year ended 31 March 2018
19 : Deferred tax liabilities (net)
Year ended 31 March 2018
The major components of deferred tax assets/(liabilities) in relation to:
(Rs. in Lakhs)

Particulars	As at 1 April 2017	Recognised in profit or loss	Recognised in other comprehensive income	Adjusted against current tax liability	As at 31 March 2018
Unabsorbed losses	520.58	(520.58)	-	-	-
Provision for expenses in respect of transfer of assets held for sale	86.15	(86.15)	-	-	-
Property, plant and equipment	(1,943.50)	1,943.50	-	-	-
Others	(6.81)	6.81	-	-	-
	(1,343.58)	1,343.58	-	-	-
MAT credit entitlement	813.95	-	-	(813.95)	-
Total	(529.63)	1,343.58	-	(813.95)	-

Year ended 31 March 2017
The major components of deferred tax assets/(liabilities) in relation to:
(Rs. in Lakhs)

Particulars	As at 1 April 2016	Recognised in profit or loss	Recognised in other comprehensive income	Adjusted against current tax liability	As at 31 March 2017
Unabsorbed losses	473.42	47.16	-	-	520.58
Provision for expenses in respect of transfer of assets held for sale	-	86.15	-	-	86.15
Compensated absences	2.90	(2.90)	-	-	-
Gratuity	3.17	(2.63)	(0.54)	-	-
Expected credit loss	38.26	(38.26)	-	-	-
Property, plant and equipment	(843.64)	(1,099.86)	-	-	(1,943.50)
Others	-	(6.81)	-	-	(6.81)
	(325.89)	(1,017.15)	(0.54)	-	(1,343.58)
MAT credit entitlement	552.94	261.01	-	-	813.95
Total	227.05	(756.14)	(0.54)	-	(529.63)



INOX RENEWABLES (JAISALMER) LIMITED

Notes to the financial statements for the year ended 31 March 2018

20 : Trade payables

(Rs. in Lakhs)

Particulars	As at 31 March 2018	As at 31 March 2017
Trade payables		
- Dues to micro and small enterprises	-	-
- Dues to others	148.61	-
Total	148.61	-

Note: There is no amount due to "Micro or Small Enterprises" under Micro, Small and Medium Enterprises Development Act, 2006. This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company. Further no interest is paid/payable to terms of section 16 of the said Act.

21 : Other financial liabilities**Current**

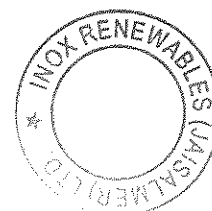
(Rs. in Lakhs)

Particulars	As at 31 March 2018	As at 31 March 2017
Current maturities of long-term borrowings	-	1,435.21
Interest accrued	-	1,099.42
Economic benefit payable to transferee of projects (see Note 38)	263.18	-
Employees dues payable	18.92	6.37
Expenses payable	36.00	33.18
Other payables to related party (see Note 31)	46.15	-
Total	364.25	2,574.18

22 : Other current liabilities

(Rs. in Lakhs)

Particulars	As at 31 March 2018	As at 31 March 2017
Statutory dues and taxes payable	43.10	2.84
Total	43.10	2.84



INOX RENEWABLES (JAISALMER) LIMITED

Notes to the financial statements for the year ended 31 March 2018

23 : Revenue from operations

(Rs. in Lakhs)

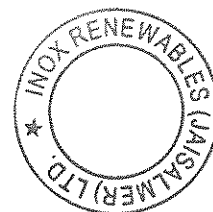
Particulars	Year ended 31 March 2018	Year ended 31 March 2017
Sale of products	4,502.86	5,290.53
Total	4,502.86	5,290.53

24 : Other income

(Rs. in Lakhs)

Particulars	Year ended 31 March 2018	Year ended 31 March 2017
(a) Interest Income		
(I) On financial assets using effective interest method:		
On fixed deposits with banks	3.96	13.27
On Inter-corporate deposits from holding company	1,043.10	74.79
(II) Other interest income		
On Income tax refund	9.69	1.11
Other Interest (*)	634.44	541.64
	1,691.19	630.81
(b) Other non-operating income		
Allowance for expected credit loss reversed	38.25	72.30
Miscellaneous Income	14.65	0.30
	52.90	72.60
Total	1,744.09	703.41

(*) Other interest comprises of interest received pursuant to agreement for sale of projects (see Note 38) and interest on delayed recoveries from customer.



INOX RENEWABLES (JAISALMER) LIMITED

Notes to the financial statements for the year ended 31 March 2018

25 : Operation and maintenance charges (Rs. in Lakhs)

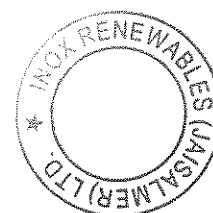
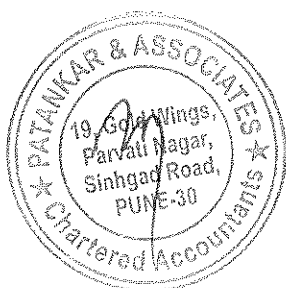
Particulars	Year ended 31 March 2018	Year ended 31 March 2017
Operations and maintenance charges	576.63	583.21
Total	576.63	583.21

26 : Employee benefits expense (Rs. in Lakhs)

Particulars	Year ended 31 March 2018	Year ended 31 March 2017
Salaries and wages	82.48	67.26
Gratuity	4.12	2.52
Contribution to provident and other funds	3.35	3.47
Total	89.95	73.25

27 : Finance costs (Rs. in Lakhs)

Particulars	Year ended 31 March 2018	Year ended 31 March 2017
(a) Interest on financial liabilities carried at amortised cost		
Interest on borrowings	1,015.68	2,439.98
Interest on loans from related parties	-	13.38
(b) Other interest cost		
Interest on income tax	53.43	-
Others	-	0.01
(c) Other borrowing costs	9.69	-
Total	1,078.80	2,453.37



INOX RENEWABLES (JAISALMER) LIMITED

Notes to the financial statements for the year ended 31 March 2018

28 : Depreciation

(Rs. in Lakhs)

Particulars	Year ended 31 March 2018	Year ended 31 March 2017
Depreciation of property, plant and equipment	-	1,552.61
Total	-	1,552.61

29 : Other expenses

(Rs. in Lakhs)

Particulars	Year ended 31 March 2018	Year ended 31 March 2017
Rent expense	3.16	3.16
Legal and professional fees and expenses	22.53	30.61
Insurance expenses	37.87	49.31
Economic benefit payable to transferee of projects (see Note 38)	2,432.94	-
Loss on assets discarded	-	0.06
Directors' sitting fees	11.04	12.18
Miscellaneous expenses	3.08	14.70
Total	2,510.62	110.02

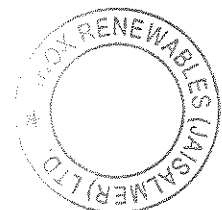
(Rs. in Lakhs)

Legal and professional fees and expenses includes following payments to auditors:	Year ended 31 March 2018	Year ended 31 March 2017
Statutory audit fees	4.80	4.25
Taxation matters	0.25	-
Certification fees	0.15	-
Out of pocket expenses	0.14	0.95
Total	5.34	5.20

Note : The above amounts are exclusive of service tax/GST.

30. Earnings per share:

Particulars	Year ended 31 March 2018	Year ended 31 March 2017
Net Profit/(loss) attributable to equity shareholders (Rs. in lakhs)	1,033.74	(127.13)
Weighted average number of equity shares used in calculation of basic and diluted EPS (Nos.)	10,60,50,000	10,60,50,000
Nominal value of equity share (Rs.)	10.00	10.00
Basic and diluted earnings/(loss) per equity share (Rs.)	0.97	(0.12)



INOX RENEWABLES (JAISALMER) LIMITED
Notes to the financial statements for the year ended 31 March 2018

31 : Related party Disclosures

B) Compensation of key management personnel:

(Rs.in Lakhs)

	2017-2018	2016-2017
Sitting fees paid to directors	11.04	12.18

C) Balance as at the end of the year

(Rs.in Lakhs)

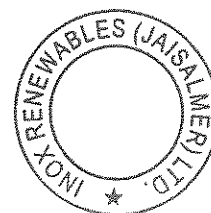
Particulars	Holding companies		Fellow subsidiaries		Total	
	2017-2018	2016-2017	2017-2018	2016-2017	2017-2018	2016-2017
(a) Amounts payable						
Trade and other payable						
Inox Wind Infrastructure Services Limited	-	-	149.97	-	149.97	-
Inox Renewables Limited	46.15	-	-	-	46.15	-
	46.15	-	149.97	-	196.12	-
Interest on inter-corporate deposits						
Inox Renewables Limited	-	12.04	-	-	-	12.04
(b) Amounts receivable						
Inter-corporate deposits						
Inox Renewables Limited	14,421.91	4,172.23	-	-	14,421.91	4,172.23
Interest on inter-corporate deposits						
Inox Renewables Limited	299.85	67.31	-	-	299.85	67.31
Other receivables						
Inox Renewables Limited	-	416.66	-	-	-	416.66

D) Guarantees

During the previous year, Inox Renewables Limited, the holding company, had issued guarantee in respect of borrowings by the Company. The outstanding balances of such borrowings as at 31 March 2017 was Rs. 20,889.62 lakhs.

Notes:

- (a) Service transactions with related parties are made at arm's length price
- (b) Amounts outstanding are unsecured and will be settled in cash or receipts of goods and services.
- (c) No expense has been recognised in the current and previous years for bad or doubtful receivables in respect of amounts owed by related parties.
- (d) The Company has given unsecured inter corporate deposits to holding company at rate comparable to the average commercial rate.



INOX RENEWABLES (JAISALMER) LIMITED

Notes to the financial statements for the year ended 31 March 2018

32. Employee benefits:**(a) Defined Contribution Plans**

The Company contributes to the Government managed provident and pension fund for all qualifying employees.

Contribution to provident fund of Rs 3.18 Lakhs (31 March 2017: Rs. 3.33 Lakhs) is recognized as an expense and included in "Contribution to provident and other funds" in Statement of Profit and Loss.

(b) Defined Benefit Plans:

The Company has defined benefit plan for payment of gratuity to all qualifying employees. It is governed by the Payment of Gratuity Act, 1972. Under this Act, an employee who has completed five years of service is entitled to the specified benefit. The level of benefits provided depends on the employee's length of service and salary at retirement age. The Company's defined benefit plan is unfunded.

There are no other post retirement benefits provided by the Company.

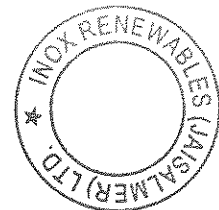
The most recent actuarial valuation of the present value of the defined benefit obligation were carried out as at 31 March 2018 by Mr. G. N. Agarwal, Fellow of the Institute of the Actuaries of India. The present value of the defined benefit obligation, the related current service cost and past service cost, were measured using the projected unit credit method.

Movement in the present value of the defined benefit obligation are as follows :

Particulars	(Rs.in Lakhs)	
	As at 31 March 2018	As at 31 March 2017
Opening defined benefit obligation	10.14	9.17
Interest cost	0.68	0.68
Current service cost	0.17	1.84
Past service cost	3.27	-
Actuarial (gain) / loss on obligations	2.77	(1.55)
Present value of obligation as at the year end	17.03	10.14

Components of amounts recognised in profit or loss and other comprehensive income are as under:

Gratuity	(Rs.in Lakhs)	
	As at 31 March 2018	As at 31 March 2017
Current service cost	0.17	1.84
Past service cost	3.27	-
Interest cost	0.68	0.68
Amount recognised in profit or loss	4.12	2.52
Actuarial (gain)/loss	2.77	(1.55)
Amount recognised in other comprehensive income	2.77	(1.55)
Total	6.89	0.97



INOX RENEWABLES (JAISALMER) LIMITED**Notes to the financial statements for the year ended 31 March 2018****32. Employee benefits: - continued**

The principal assumptions used for the purposes of the actuarial valuations are as follows:

Particulars	31 March 2018	31 March 2017
Discount rate	7.48%	6.69%
Expected rate of salary increase	8.00%	8.00%
Employee attrition rate	5.00%	5.00%
Mortality	IALM(2006-08)Ultimate Mortality Table	

Estimates of future salary increases considered in actuarial valuation take account of inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.

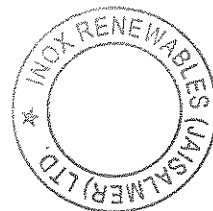
These plans typically expose the Company to actuarial risks such as interest rate risk and salary risk.

- a) Interest risk: a decrease in the bond interest rate will increase the plan liability.
b) Salary risk: the present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, a variation in the expected rate of salary increase of the plan participants will change the plan liability.

Sensitivity Analysis:

Significant actuarial assumptions for the determination of defined obligation are discount rate and expected salary increase. The sensitivity analysis below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

Impact on present value of defined benefit obligation:	(Rs in Lakhs)	
	2017-2018	2016-2017
If discount rate is increased by 1%	(0.66)	(0.02)
If discount rate is decreased by 1%	0.79	0.03
If salary escalation rate is increased by 1%	0.76	0.03
If salary escalation rate is decreased by 1%	(0.64)	(0.02)



INOX RENEWABLES (JAISALMER) LIMITED

Notes to the financial statements for the year ended 31 March 2018

32. Employee benefits: - continued

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumption would occur in isolation of one another as some of the assumptions may be correlated. Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognised in the balance sheet.

There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.

Expected outflow in future years (as provided in actuarial report)		(Rs in Lakhs)
Particulars	2017-2018	2016-2017
Expected outflow in 1st Year	11.68	10.00
Expected outflow in 2nd Year	0.01	*
Expected outflow in 3rd Year	0.01	*
Expected outflow in 4th Year	0.01	*
Expected outflow in 5th Year	0.01	*
Expected outflow in 6th to 10th Year	0.07	*

(*) amounts are less than Rs. 0.01 lakhs

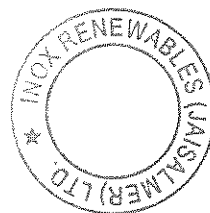
The average duration of the defined benefit plan obligation at the end of the reporting period is 4.07 years (31 March 2017: 5 years).

C. Other short term and long term employment benefits:**Annual leave & Short term leave**

The liability towards compensated absences (annual and short term leave) for the year ended 31 March 2018 based on actuarial valuation carried out by using Projected accrued benefit method resulted in increase in liability by Rs. 6.71 lakhs (31 March 2017: reduction in liability by Rs 1.07 lakhs), which is included in the employee benefits in the Statement of Profit and Loss.

The principal assumptions used for the purposes of the actuarial valuations of compensated absences are as follows:

Particulars	As at	
	31 March 2018	31 March 2017
Discount rate	7.48%	6.69%
Expected rate of salary increase	8.00%	8.00%
Employee Attrition Rate	5%	5%
Mortality	IALM(2006-08)Ultimate Mortality Table	



INOX RENEWABLES (JAISALMER) LIMITED

Notes to the financial statements for the year ended 31 March 2018

33. Financial Instruments**(i) Capital management**

The Company manages its capital structure with a view to ensure that it will be able to continue as a going concern while maximising the return to stakeholders through the optimization of the debt and equity balance.

The capital structure of the Company consists of net debt and total equity of the Company. The Company did not have any borrowings as at 31 March 2018.

The Company is not subject to any externally imposed capital requirements.

The Company's management reviews the capital structure of the Company. As part of this review, the management considers the cost of capital and the risks associated with each class of capital.

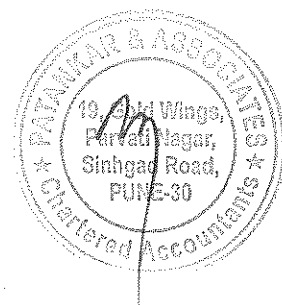
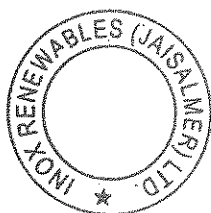
The gearing ratio at the end of the reporting period was as follows:

Particulars	(Rs. in lakhs)	
	As at 31 March 2018	As at 31 March 2017
Total Debt	-	21,999.04
Less: Cash and bank balances	448.16	7.50
Net debt	(448.16)	21,991.54
Total equity	13,896.60	12,865.63
Net debt to equity ratio	N.A.	170.93%

(ii) Categories of financial instruments

Particulars	(Rs. in Lakhs)	
	As at 31 March 2018	As at 31 March 2017
Financial assets		
Measured at amortised cost		
(a) Investments	0.29	0.20
(b) Trade receivables	-	1,081.76
(c) Cash and bank balances	448.16	186.92
(d) Loans	14,721.76	4,239.99
(e) Other financial assets	30.23	416.66
Total financial assets	15,200.44	5,925.53
Financial liabilities		
Measured at amortised cost		
(a) Borrowings	-	21,999.04
(b) Trade payables	148.61	-
(c) Other financial liabilities	364.25	39.55
Total financial liabilities	512.86	22,038.59

The carrying amount reflected above represents the Company's maximum exposure to credit risk for such financial assets.



INOX RENEWABLES (JAISALMER) LIMITED

Notes to the financial statements for the year ended 31 March 2018

33. Financial Instruments - continued**(iii) Financial risk management**

The financial risks include market risk (including currency risk, interest rate risk and other price risk), credit risk and liquidity risk.

The Company's policies provides principles on foreign exchange risk, interest rate risk, credit risk, the use of financial derivatives and non-derivative financial instruments and the investment of the excess liquidity. Compliance with policies and exposure limits is reviewed by the Company on a continuous basis. The Company does not enter into or trade financial instruments including derivative financial instruments for speculative purpose.

(iv) Interest rate risk management

Interest rate risk refers to the possibility that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rate. The Company was not exposed to interest rate risk because it had borrowed funds at fixed interest rates.

(v) Other price risks

Other price risk is the risk that the fair value of a financial instrument will fluctuate due to changes in market traded price. Other price risk arises from financial assets such as investments in equity instruments and mutual funds. The Company does not have investment in equity instruments or mutual funds.

(vi) Credit risk management

Credit risk refers to risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. Credit risk arises primarily from financial assets such as trade receivables, other balances with banks, loans and other receivables.

(a) Trade receivables

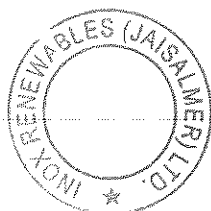
Credit risk arising from trade receivables is managed in accordance with the Company's established policy, procedures and control relating to customer credit risk management. The Company supplies electricity to only two customers viz. State Electricity Board and IRDA. The payment terms with customers are fixed as per industry norms. Accordingly, risk of recovery of such amounts is mitigated.

There are no trade receivable as at 31 March 2018. The entire receivable as at 31 March 2017 were from two customers of the Company.

For trade receivables, as a practical expedient, the Company computes credit loss allowance based on a provision matrix which is based on historically credit loss experience and is adjusted for forward-looking estimates. The expected credit loss allowance is computed at @ 8% p.a. on the delays in realisation from customers.

Age of receivables (Rs. in Lakhs)

Particulars	As at 31 March 2018	As at 31 March 2017
Within the credit period	-	672.82
1-30 days past due	-	353.37
31-60 days past due	-	43.38
61-90 days past due	-	-
More than 90 days past due	-	50.44
Gross trade receivables	-	1,120.01



INOX RENEWABLES (JAISALMER) LIMITED
Notes to the financial statements for the year ended 31 March 2018

33. Financial Instruments - continued

Movement in the expected credit loss allowance :

Particulars	(Rs. in Lakhs)	
	As at 31 March 2018	As at 31 March 2017
Balance at beginning of the year	38.25	110.55
Movement in expected credit loss allowance	(38.25)	(72.30)
Balance at end of the year	-	38.25

b) Loans and Other Receivables

The Company applies expected credit losses (ECL) model for measurement and recognition of loss allowance on the loans given by the Company to the external parties. 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 Company expects to receive (i.e., all cash shortfalls), discounted at the original effective interest rate. There are no loans given to external parties and the amount of other receivables is not significant.

c) Other financial assets

Credit risk arising from other balances with banks is limited and there is no collateral held against these because the counterparties are banks and recognised financial institutions with high credit ratings assigned by the various credit rating agencies.

v) Liquidity Risk Management

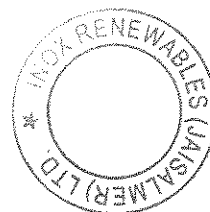
Ultimate responsibility for liquidity risk management rests with the board of directors of the Company and the holding company, which has established an appropriate liquidity risk management framework for the management of the Company's short, medium and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

Liquidity and interest risk tables

The following table detail the analysis of financial liabilities of the Company into relevant maturity groupings based on the remaining period from the reporting date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

Particulars	(Rs. in Lakhs)			
	Less than 1 year	1 to 5 year	5 years and above	Total
As at 31 March 2018				
Trade payables	148.61	-	-	148.61
Other financial liabilities	364.25	-	-	364.25
	512.86	-	-	512.86
As at 31 March 2017				
Borrowings	1,435.21	7,039.87	12,424.54	20,899.62
Other financial liabilities	1,138.97	-	-	1,138.97
	2,574.18	7,039.87	12,424.54	22,038.59

The above liabilities will be met by the Company from internal accruals, realization of current and non-current financial assets.



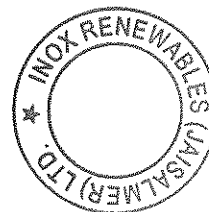
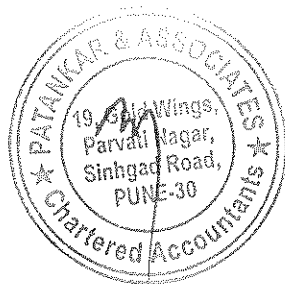
INOX RENEWABLES (JAISALMER) LIMITED

Notes to the financial statements for the year ended 31 March 2018

33. Financial Instruments - continued

**(vi) Fair value of financial assets and financial liabilities that are not measured at fair value
(but fair value disclosures are required)**

The carrying amount of financial assets and financial liabilities measured at amortised cost in the financial statements are a reasonable approximation of their fair values since the company does not anticipate that the carrying amounts would be significantly different from the values that would eventually be received or settled.



INOX RENEWABLES (JAISALMER) LIMITED
Notes to the financial statements for the year ended 31 March 2018
34. Income tax recognised in profit or loss

	(Rs. in Lakhs)	
Particulars	2017-2018	2016-2017
Current tax		
In respect of the current year	1,760.00	261.01
Minimum alternate tax credit entitlement	-	(261.01)
In respect of the earlier years	20.82	2.33
	1,780.82	2.33
Deferred tax		
In respect of the current year	(1,343.58)	1,017.15
	(1,343.58)	1,017.15
Total income tax expense recognised in the current year	437.24	1,019.48

The income tax expense for the year can be reconciled to the accounting profit as follows:

	(Rs. in Lakhs)	
Particulars	2017-2018	2016-2017
Profit before tax after exceptional items	1,470.98	892.35
Income tax expense calculated @ 34.608% (2016-2017: 34.608%)	509.08	308.82
Effect of permanent differences	18.48	34.57
Tax incentives	(67.76)	-
Benefit from previously unrecognized temporary differences	(43.38)	-
Effect of reversal of deferred tax for tax holiday period consequent to reclassification of WTG's as 'assets held for sale'	-	654.49
Effect of deferred tax assets on other items reversed	-	19.27
	416.42	1,017.15
Taxation pertaining to earlier years	20.82	2.33
Income tax expense recognised in profit or loss	437.24	1,019.48

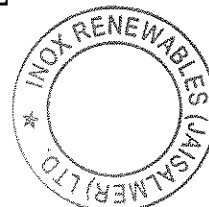
The tax rate used for the years ended 31 March 2018 and 31 March 2017 in reconciliations above is the corporate tax rate of 34.608% payable by corporate entities in India on taxable profits under the Indian tax law.

Income tax recognised in other comprehensive income

	(Rs. in Lakhs)	
Particulars	2017-2018	2016-2017
Deferred tax		
Arising on income/expense recognised in other comprehensive income - remeasurement of defined benefit plan	-	(0.54)
	-	(0.54)

As at 31 March 2018, the Company has not recognized deferred tax asset in respect of following deductible temporary differences:

Nature of deductible temporary differences	Gross amount (Rs. in lakhs)
Provision for employee benefits	31.03



INOX RENEWABLES (JAISALMER) LIMITED**Notes to the financial statements for the year ended 31****35 : Corporate social responsibility**

(a) The gross amount required to be spent by the Company during the year towards Corporate Social Responsibility (CSR) is Rs. 20.60 lakhs (31 March 2017 Rs. 17.65 lakhs).

(b) Particulars of amount spent on CSR:

(Rs. in Lakhs)			
Particulars	In Cash	Yet to be paid in cash	Total
(i) Construction/acquisition of any fixed assets	Nil (Nil)	Nil (Nil)	Nil (Nil)
(ii) On purpose other than (i) above - Donations	Nil (Nil)	Nil (Nil)	Nil (Nil)

(Figures in brackets pertain to previous year)

36 : Segment information

Information reported to the chief operating decision maker (CODM) for the purpose of resource allocation and segment performance focuses on single business segment of generation of wind energy and hence there is only one reportable business segment in terms of Ind AS 108: Operating Segment. The Company is operating in India which is considered as a single geographical segment.

Revenue from major products

(Rs. In Lakhs)

Particulars	2017-2018	2016-2017
Sale of wind energy	4,106.48	4,824.82
Income from green benefit incentive	396.38	465.71
Total	4,502.86	5,290.53

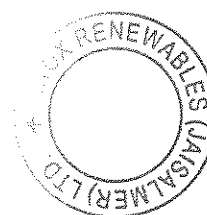
The entire sale of wind energy is to two customers.

37. Reclassification and changes in presentation

Figures for the preceding year have been reclassified as under:

- Interest accrued of Rs. 70.65 lakhs on fixed deposits with banks and inter-corporate deposits was disclosed separately in the preceding year. Such interest accrued is now included in the carrying amount of the bank deposits and inter-corporate deposits.
- Investment in National Savings Certificates of Rs. 0.20 lakhs was classified as security deposits in the preceding year. This is now disclosed as investment.
- Interest of Rs. 541.64 lakhs on delayed payments from customers was presented as 'Other operating revenue' in the preceding year. Such interest is now included under 'Other income'.

In the preceding year, the effect of remeasurement of defined benefits plan, included in Other Comprehensive Income, was shown separately in the Statement of Changes in Equity. This is now classified under 'retained earnings' as a separate line item.



INOX RENEWABLES (JAISALMER) LIMITED**Notes to the financial statements for the year ended 31****38. Exceptional Items**

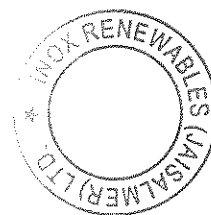
(Rs. in Lakhs)		
Particulars	2017-2018	2016-2017
Loss on measurement of non current assets as held for sale	390.00	329.13
Loan prepayment charges	129.97	-
Total	519.97	329.13

The Company was operating projects comprising of 32 Wind Turbine Generators (WTG's) for generation and sale of power. These WTG projects constituted the power generation business of the Company which was the only reportable segment of the Company. During the year ended 31 March 2017, the Company entered into a Business Transfer Agreement to transfer these 32 WTG's to Independent Power Producer (IPP), Vanilla Clean Power Private Limited and accordingly these assets were classified as 'asset held for sale'. The fair value less cost to sell, based on the business transfer agreement of these 32 WTG projects, as at 31 March 2017 was determined at Rs. 29,511.06 Lakhs. As at 31 March 2017 the carrying amount of these WTG's was Rs. 29,740.31 Lakhs. Therefore, asset were restated at lower of carrying amount or fair value. Accordingly, the difference of Rs. 229.25 Lakhs between the fair value less cost to sell and the carrying amount, and certain prepaid expenses relating to assets held for sale amounting to Rs. 99.88 Lakhs, aggregating to Rs. 329.13 Lakhs was recognised as exceptional item in the Statement of Profit and Loss for the year ended 31 March 2017.

During the current year, the Company has recognized further loss of Rs. 390.00 Lakhs being the lower of the carrying amounts of assets and fair value less cost of sale and is included in exceptional items.

The Company has incurred net loss of Rs. 129.97 Lakhs on pre-payment of borrowings in respect of these WTGs and the same is recognized as exceptional item during the current year.

While these projects were being operated by the Company till the date of actual transfer, as per the aforesaid BTA, all economic benefits relating to these projects, with effect from 1 May 2017, were agreed to belong to the purchaser. The amount payable towards such net economic benefits is charged in the Statement of Profit and Loss and included in Note 29. Further, the Company was entitled to interest on the equity value of the consideration (as reduced by payments received from time to time) and net outgoings paid by the Company for operations of the projects and such interest for the year of Rs. 591.24 lakhs is included in other interest in Note no. 24.



INOX RENEWABLES (JAISALMER) LIMITED

Notes to the financial statements for the year ended 31

39. Additional disclosures in respect of loans given as required by section 186(4) of the Companies Act, 2013**Loans to related parties:****(Rs. in Lakhs)**

Name of the Party	As at 31 March 2018	As at 31 March 2017
Inox Renewables Limited	14,421.91	4,172.23

The above loans are unsecured, repayable on demand and carry interest @ 12% p.a. These loans are given for general business purposes.

As per our report of even date attached

For Patankar & Associates

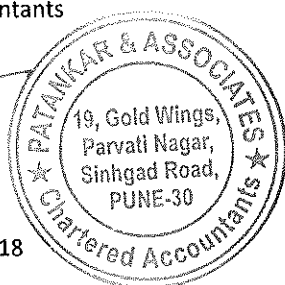
Chartered Accountants


S S Agrawal

Partner

Place: Pune

Date: 18 May 2018

**For Inox Renewables (Jaisalmer) Limited**
Director

Place: Noida

Date: 18 May 2018


Director