

Dewan P.N. Chopra & Co.

Chartered Accountants

C-109, Defence Colony, New Delhi - 110 024, India

Phones : +91-11-24645895/96 E-mail : audit@dpncindia.com

INDEPENDENT AUDITOR'S REPORT

To the Members of Inox Renewables Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Inox Renewables Limited ("the Company"), which comprise the balance sheet as at 31st March 2019, and the statement of Profit and Loss, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

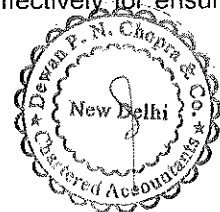
In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, and its loss, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified 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 of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate implementation and maintenance of 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 financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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



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

Other Matter

The audited financial statements of the Company for the corresponding year ended 31st March, 2018 included in these financial statements, have been audited by the predecessor auditors whose audit report dated 18th May, 2018 expressed an unmodified opinion on those audited financial statements. Our opinion is not modified in respect of this matter.

The figures for the year ended 31st March, 2018 included in the financial statements for the year ended 31st March, 2019, have been restated to give effects to the scheme of amalgamation of Inox Renewables (Jaisalmer) Limited (a wholly owned subsidiary) with the Company pursuant to an order of National Company Law Tribunal dated 3rd April, 2019, from the beginning of the preceding year (i.e 1st April, 2017) in accordance with the Ind AS. Our opinion is not modified in respect of the above matter

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the "Annexure A" statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

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, statement of changes in equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.

(d) In our opinion, the aforesaid financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

(e) On the basis of the written representations received from the directors as on 31st March, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.

(f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

(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 has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 38 to the financial statements.



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

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

For Dewan P. N. Chopra & Co.
Chartered Accountants
Firm Regn. No. 000472N

(CA. Sandeep Dahiya)
Partner
Membership No. 505371

Place: New Delhi
Date: 18th May, 2019

ANNEXURE-ATO THE INDEPENDENT AUDITORS' REPORT
(Referred to in paragraph - 1 under the heading of "Report on Other Legal and Regulatory Requirements" of our Report of even date.)

Based on the audit procedures performed for the purpose of reporting a true and fair view on the financial statements of the Company and taking into consideration the information and explanations given by the management and the books of account and other records examined by us in the normal course of audit and to the best of our knowledge and belief, we report that:-

- (i) (a) The company has maintained proper records showing full particulars including quantitative details and situation of property, plant and equipments.
(b) The management has physically verified the property, plant and equipments at reasonable intervals and no material discrepancies were noticed on such verification.
(c) The title deeds of immovable properties are held in the name of the Company except for freehold lands located at Ayanaroothu having carrying value of Rs. 27.41 Lakh.
- (ii) The Company does not have any Inventories and hence the provisions of clause 3(ii) of the Order are not applicable to the Company.
- (iii) The Company has not granted any loan, secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the register maintained under section 189 of the Companies Act 2013 and hence the provisions of clause 3(iii) of the Order are not applicable to the Company.
- (iv) In our opinion, in respect of loans, investments, guarantees, and security provisions of section 185 and 186 of the Companies Act, 2013 have been complied with.
- (v) The company has not accepted any deposits, hence the paragraph 3(v) of the order is not applicable.
- (vi) We have broadly reviewed the books of account maintained by the company pursuant to the Rules made by the Central Government for the maintenance of cost records under section 148 of the Act, and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, we have not, nor we are required, carried out details examination of such accounts and records.
- (vii) (a) On the basis of our examination of the records of the company, amounts deducted/accrued in the books of account in respect of undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues have generally been regularly deposited during the year by the company with the appropriate authorities, though there has been a slight delay in a few cases, to the extent applicable to it.



In our opinion, no undisputed amounts payable in respect of provident fund, income tax, sales tax, value added tax, duty of customs, service tax, cess and other material statutory dues were in arrears as at 31 March 2019 for a period of more than six months from the date they became payable.

(b) On the basis of our examination of the books of accounts and records, the details of the dues of income tax or sales tax or service tax or duty of customs or duty of excise or value added tax or cess which have not been deposited on account of any dispute, are as under:-

Name of the Statute	Nature of dues	Amount (Rs. In Lakh)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	5.09	AY 2013-14	Commissioner of Income Tax (Appeal)
		243.83	AY 2014-15	
		137.92	AY 2015-16	
Income Tax Act, 1961*	TDS Demands*	0.15	FY 2017-18 & FY 2018-19	-
Rajasthan Value Added Tax	Value Added Tax	96.38	FY 2012-13	Appellate Authority

* As per data available at Income Tax Website/Portal. However no demand notice has been received by company.

- (viii) The Company does not have any loans or borrowings from a financial institution, bank, government and no dues are payable to the debenture holders, hence the paragraph 3(viii) of the order is not applicable.
- (ix) In our opinion the Company did not raise any money by way of initial public offer or further public offer (including debt instruments) or term loans, hence the paragraph 3(ix) of the order is not applicable.
- (x) In our opinion, no material fraud by the company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- (xi) In our opinion, the company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- (xii) In our opinion, the Company is not a nidhi company. Hence, paragraph 3(xii) of the Order is not applicable.



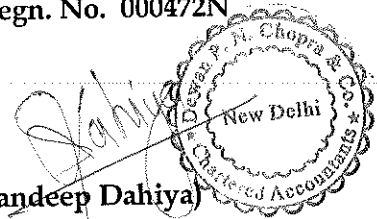
- (xiii) Based on our examination of the records of the Company and in our opinion, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable Indian Accounting Standards.
- (xiv) Based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- (xv) Based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him.
- (xvi) Based on our examination of the records of the Company, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

For Dewan P. N. Chopra & Co.
Chartered Accountants
Firm Regn. No. 000472N

(CA. Sandeep Dahiya)
Partner

Membership No. 505371

Place: New Delhi
Date: 18th May, 2019



**ANNEXURE - B TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE
FINANCIAL STATEMENTS OF INOX RENEWABLES LIMITED**

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

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

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, 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 Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting 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 over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.



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

Meaning of Internal Financial Controls with reference to Financial Statements

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

Inherent Limitations of Internal Financial Controls with reference to Financial Statements

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting 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 over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

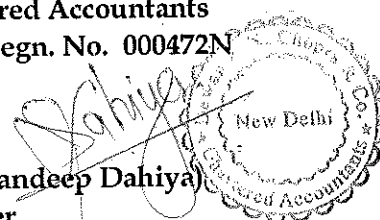
For Dewan P. N. Chopra & Co.
Chartered Accountants
Firm Regn. No. 000472N

(CA. Sandeep Dahiya)
Partner

Membership No. 505371

Place: Noida

Date: 18th May, 2019



(Rs. in Lakh)

	Particulars	Notes	As at 31 March 2019	As at 31 March 2018
I	ASSETS			
1	Non-current assets			
	(a) Property, plant and equipment	5	15,427.62	16,475.54
	(b) Capital work-in-progress	5	43,066.49	24,772.49
	(c) Financial assets			
	(i) Investments	6	0.32	0.29
	(ii) Other financial assets	7	1.50	100.58
	(d) Income Tax assets (Net)	8	850.88	848.94
	(e) Other non-current assets	9	2,150.00	2,150.00
	Total non-current assets		61,496.81	44,347.84
2	Current assets			
	(a) Financial assets			
	(i) Trade receivables	10	927.04	2,248.71
	(ii) Cash and cash equivalents	11	1,348.74	2,067.51
	(iii) Bank balances other than (ii) above	12	106.91	1.19
	(iv) Other financial assets	7	1,169.62	1,924.08
	(b) Other current assets	9	100.23	75.22
			3,652.54	6,316.71
	Total assets (1+2)		65,149.35	50,664.55
II	EQUITY AND LIABILITIES			
1	Equity			
	(a) Equity share capital	13	337.50	337.50
	(b) Other equity	14	12,334.57	14,442.89
	Total equity		12,672.07	14,780.39
	Liabilities			
2	Non-current liabilities			
	(a) Provisions	15	26.74	34.72
	(b) Other non-current liabilities	16	3,879.92	4,217.51
	(c) Deferred tax liabilities (Net)	18	1,478.40	1,680.78
	Total non-current Liabilities		5,385.06	5,933.01
3	Current liabilities			
	(a) Financial Liabilities			
	(i) Borrowings	17	24,200.00	22,700.00
	(ii) Trade payables	19		
	a) Total outstanding dues of micro enterprises and small enterprises		-	-
	b) Total outstanding dues of creditors other than micro enterprises and small enterprises		867.40	510.56
	(iii) Other financial liabilities	20	21,053.35	5,544.08
	(b) Provisions	15	27.49	49.29
	(c) Other current liabilities	16	600.98	430.37
	(d) Current tax liabilities (Net)	21	343.00	716.85
	Total current liabilities		47,092.22	29,951.15
4	Total liabilities (2+3)		52,477.28	35,884.16
	Total equity and liabilities (1+4)		65,149.35	50,664.55

The accompanying notes (1 to 47) are an integral part of the financial statements

As per our report of even date attached

For Dewan P.N. Chopra & Co.

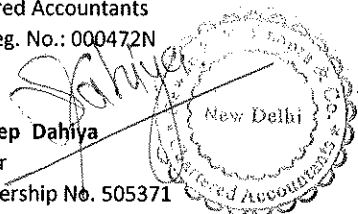
Chartered Accountants

Firm Reg. No.: 000472N

Sandeep Dahiya

Partner

Membership No. 505371



For and on behalf of the Board of Directors
of Inox Renewables Limited

Bhupesh Kumar Juneja

Director

DIN: 03526996

Devansh Jain

Director

DIN: 01819331

Place : Noida
Date : 18 May 2019

Place : Noida
Date : 18 May 2019

(Rs. In Lakh)

	Particulars	Notes	Year ended 31 March 2019	Year ended 31 March 2018
	Revenue from operations	22	2,257.89	18,894.98
	Other income	23	33.39	3,383.03
I	Total Revenue		2,291.28	22,278.01
	Expenses			
	Operation and maintenance expense	24	502.77	2,175.61
	Employee benefits expense	25	283.14	306.89
	Finance cost	26	2,350.73	7,660.78
	Depreciation and amortisation expense	27	963.92	795.62
	Other expense	28	505.60	9,825.16
II	Total expense		4,606.16	20,764.06
III	Profit before exceptional items and tax (I - II)		(2,314.88)	1,513.95
IV	Exceptional items	41	-	102.76
V	Profit/(loss) before tax (III - IV)		(2,314.88)	1,411.19
VI	Tax expense:	35		
	Current tax		-	1,760.00
	Deferred tax charge/(credit)		(203.88)	(1,662.89)
	Prior period tax		0.96	16.88
	Net Tax		(202.92)	113.99
VII	Profit/(loss) for the year (V - VI)		(2,111.96)	1,297.20
VIII	Other comprehensive income			
A	(i) Items that will not be reclassified to profit or loss			
	(a) Remeasurements of the defined benefit plans		5.14	1.77
	(ii) Income tax relating to items that will not be reclassified to profit or loss		(1.50)	(1.32)
B	(i) Items that may be reclassified to profit or loss			
	(a) Effective portion of gains and losses on designated portion of hedging instruments in a cash flow hedge reserve.		-	212.90
	(ii) Income tax relating to items that may be reclassified to profit or loss		-	(73.68)
	Total other comprehensive income (A (i-ii)+B(i-ii))		3.64	139.67
IX	Total comprehensive income for the year (VII + VIII)		(2,108.32)	1,436.87
	Basic and diluted earning per equity share of Rs. 10 each (in Rs.)	29	(62.58)	38.44

The accompanying notes (1 to 47) are an integral part of the financial statements

As per our report of even date attached

For Dewan P.N. Chopra & Co.

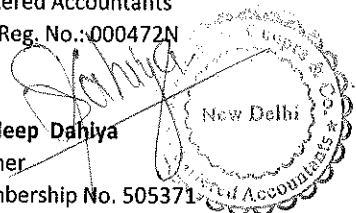
Chartered Accountants

Firm Reg. No.: 000472N

Sandeep Dahiya

Partner

Membership No. 505371



Place : Noida

Date : 18 May 2019

For and on behalf of the Board of Directors
of Inox Renewables Limited

Bhupesh Kumar Juneja

Director

DIN: 03526996

Devansh Jain

Director

DIN: 01819331

Place : Noida

Date : 18 May 2019

INOX RENEWABLES LIMITED
CIN: U40100GJ2010PLC062869

Statement of Cash Flows for the year ended 31 March 2019

(Rs. in Lakh)

Particulars	Year Ended 31 March 2019	Year Ended 31 March 2018
A. Cash flows from operating activities:		
Profit for the year after tax	(2,111.96)	1,297.20
Adjustments for:		
Tax expense	(202.92)	113.99
Depreciation and amortisation expense	963.92	795.62
Finance costs	2,350.73	7,660.78
Interest income	(22.48)	(2,588.88)
Profit on disposal of property, plant and equipment	(3.50)	-
Loss on asset held for sale	-	(27.21)
Provision for doubtful advances	-	423.83
Bad debts & remissions	-	29.28
Liabilities and provisions no longer required, written back	-	(550.46)
Provision for trade receivables written back	-	(224.41)
Provision for trade receivables [Expected credit loss]	10.13	-
Operating Profit before Working Capital changes	983.92	6,929.74
Movements in working capital:		
(Increase)/decrease in trade receivables	1,311.54	3,139.78
(Increase)/decrease in loans	-	0.45
(Increase)/decrease in other financial assets	853.54	5,402.88
(Increase)/decrease in other assets	21.14	58.50
Increase/(decrease) in trade payables	329.16	401.81
Increase/(decrease) in provisions	(24.64)	23.86
Increase/(decrease) in other financial liabilities	(2,195.36)	1,657.80
Increase/(decrease) in other current liabilities	(166.98)	(1,767.86)
Cash flows from operations	1,112.32	15,846.96
Income taxes paid	(376.75)	(308.80)
Net cash generated from operating activities	735.57	15,538.16
B. Cash flows from investing activities:		
Payments for property, plant and equipments	(2,708.48)	(26,567.10)
Interest received	22.45	3,399.35
Movement in bank fixed deposits	(105.72)	2,047.94
Disposal of property, plant and equipment	87.50	-
On sale of assets under slump sale	-	1,02,446.32
Net cash (used in)/generated by investing activities	(2,704.25)	81,326.51
C. Cash flows from financing activities:		
Repayment of long term borrowings	-	(69,042.76)
Proceeds from/(Repayment of) short term borrowings (net)	1,500.00	(14,076.85)
Interest paid	(250.09)	(12,196.10)
Net cash used in financing activities	1,249.91	(95,315.71)
Net (decrease) in cash and cash equivalents	(718.77)	1,548.96
Cash and cash equivalents at the beginning of the year	2,067.51	511.05
Cash and cash equivalents on amalgamation of Inox Renewables (Jaisalmer) Limited (Refer Note 37)	-	7.50
Cash and cash equivalents at the end of the year	1,348.74	2,067.51



INOX RENEWABLES LIMITED
CIN: U40100GJ2010PLC062869

Statement of Cash Flows for the year ended 31 March 2019

Changes in liabilities arising from financing activities during the year ended 31 March 2019

Particulars	(Rs. in Lakh)		
	Current Borrowings	Non Current Borrowings	Equity Share Capital
Opening balance	23,694.60	-	-
Cash flows	1,500.00	-	-
Interest expense	2,334.04	-	-
Interest paid	(233.40)	-	-
Closing balance	27,295.24	-	337.50

Changes in liabilities arising from financing activities during the year ended 31 March 2018

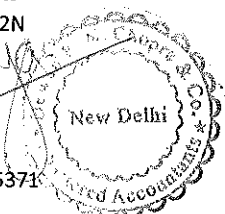
Particulars	(Rs. in Lakh)		
	Current Borrowings	Non Current Borrowings	Equity Share Capital
Opening balance (As reported earlier)	43,915.59	70,630.38	337.50
Elimination of ICD from Inox Renewables (Jaisalmer) Limited on amalgamation (Refer Note 37)	(14,721.76)	-	-
Opening balance	29,193.83	70,630.38	-
Cash flows	(3,594.63)	(71,157.86)	-
Interest expense	3,732.17	4,147.59	-
Interest paid	(5,636.77)	(3,620.11)	-
Closing balance	23,694.60	-	337.50

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 11
3. The accompanying notes are an integral part of the financial statements.

As per our report of even date attached
For Dewan P.N. Chopra & Co.
Chartered Accountants
Firm Reg. No.: 000472N

Sandeep Dahiya
Partner
Membership No. 505371



For and on behalf of the Board of Directors of
Inox Renewables Limited

Bhupesh Kumar Juneja
Director
DIN: 03526996

Devansh Jain
Director
DIN: 01819331

Place : Noida
Date : 18 May 2019

Place : Noida
Date : 18 May 2019

INOX RENEWABLES LIMITED

CIN: U40100GJ2010PLC062869

Statement of Changes in Equity for the year ended 31 March 2019

A. Equity share capital

(Rs. in Lakh)

Particulars	Amount
Balance at 31 March 2017	337.50
Changes in equity share capital during the year	-
Balance at 31 March 2018	337.50
Changes in equity share capital during the year	-
Balance at 31 March 2019	337.50

B. Other equity

(Rs. in Lakh)

Particulars	Reserves and surplus		Items of other comprehensive income		Total
	Securities premium	Retained earnings	Revaluation reserve	Cash flow hedging reserve	
Balance at 1 April 2017 (As reported earlier)	12,545.00	(9,687.37)	8,026.98	(139.22)	10,745.39
Accumulated profit of Inox Renewables (Jaisalmer) Limited on amalgamation (Refer Note 37)	-	2,260.63	-	-	2,260.63
Balance at 1 April 2017	12,545.00	(7,426.74)	8,026.98	(139.22)	13,006.02
Additions during the year:					
Loss for the year	-	1,297.20	-	-	1,297.20
Other comprehensive income for the year, net of income tax (*)	-	0.45	-	139.22	139.67
Total comprehensive income for the year	-	1,297.65	-	139.22	1,436.87
Balance at 31 March 2018	12,545.00	(6,129.09)	8,026.98	-	14,442.89
Additions during the year:					
Loss for the year	-	(2,111.96)	-	-	(2,111.96)
Other comprehensive income for the year, net of income tax (*)	-	3.64	-	-	3.64
Total comprehensive income for the year	-	(2,108.32)	-	-	(2,108.32)
Balance at 31 March 2019	12,545.00	(8,237.41)	8,026.98	-	12,334.57

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

The accompanying notes (1 to 47) are an integral part of the financial statements

As per our report of even date attached

For Dewan P.N. Chopra & Co.

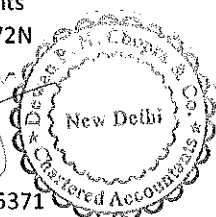
Chartered Accountants

Firm Reg. No.: 000472N

Sandeep Dahiya

Partner

Membership No. 505371

For and on behalf of the Board of Directors
of Inox Renewables Limited

Bhupesh Kumar Juneja

Director

DIN: 03526996

Devansh Jain

Director

DIN: 01819331

Place : Noida

Date : 18 May 2019

Place : Noida

Date : 18 May 2019

Inox Renewables Limited

Notes to the financial statements for the year ended 31 March 2019

1. Company information

Inox Renewables Limited (the "Company") is engaged in the business of generation and sale of wind energy and providing services for Erection, Procurement and Commissioning (EPC) of wind farms. The Company is a subsidiary of Gujarat Fluorochemicals Limited (GFL) 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

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. The accounting policies are applied consistently to all the periods presented in the financial statements.



Inox Renewables Limited

Notes to the financial statements for the year ended 31 March 2019

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. This is based on the nature of products or services and the time between the acquisition of assets or inventories for processing and their realisation in cash and cash equivalents.

These financial statements were authorized for issue by the Company's Board of Directors on 18 May 2019.

3. Significant Accounting Policies

3.1 Revenue recognition

Effective April 1, 2018, the Company has applied Ind AS 115 which establishes a comprehensive framework for determining whether, how much and when revenue is to be recognised. Ind AS 115 replaces Ind AS 18 Revenue and Ind AS 11 Construction Contracts. The Company has adopted Ind AS 115 using the cumulative effect method. The effect of initially applying this standard is recognised at the date of initial application (i.e. April 1, 2018). The standard is applied retrospectively only to contracts that are not completed as at the date of initial application and the comparative information in the statement of profit and loss is not restated – i.e. the comparative information continues to be reported under Ind AS 18 and Ind AS 11. Refer note 3.1 – Significant accounting policies – Revenue recognition in the Annual report of the Company for the year ended March 31, 2018, for the revenue recognition policy as per Ind AS 18 and Ind AS 11. No impact of the adoption of the standard on the financial statements of the Company.

- 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.
- 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 net of returns and is reduced for rebates, trade discounts, refunds and other similar allowances. Revenue is net of goods and service tax.
- Revenue is measured based on the transaction price, which is the consideration, adjusted for volume discounts, service level credits, performance bonuses, price concessions and incentives, if any, as specified in the contract with the customer.
- Revenue also excludes taxes collected from customers. Revenue from subsidiaries is recognised based on transaction price which is at arm's length. Contract assets are recognised when there is excess of revenue earned over billings on contracts.
- Contract assets are classified as unbilled receivables (only act of invoicing is pending) when there is unconditional right to receive cash, and only passage of time is required, as per contractual terms.
- Unearned and deferred revenue ("contract liability") is recognised when there is billings in excess of revenues.
- The billing schedules agreed with customers include periodic performance based payments and / or milestone based progress payments. Invoices are payable within contractually agreed credit period.



Inox Renewables Limited

Notes to the financial statements for the year ended 31 March 2019

- In accordance with Ind AS 37, the Company recognises an onerous contract provision when the unavoidable costs of meeting the obligations under a contract exceed the economic benefits to be received.
- Contracts are subject to modification to account for changes in contract specification and requirements. The Company reviews modification to contract in conjunction with the original contract, basis which the transaction price could be allocated to a new performance obligation, or transaction price of an existing obligation could undergo a change. In the event transaction price is revised for existing obligation, a cumulative adjustment is accounted for.

Use of significant judgments in revenue recognition

- The Company's contracts with customers could include promises to transfer multiple products and services to a customer. The Company assesses the products / services promised in a contract and identifies distinct performance obligations in the contract. Identification of distinct performance obligation involves judgement to determine the deliverables and the ability of the customer to benefit independently from such deliverables.
- The Company uses judgement to determine an appropriate standalone selling price for a performance obligation. The Company allocates the transaction price to each performance obligation on the basis of the relative standalone selling price of each distinct product or service promised in the contract. Where standalone selling price is not observable, the Company uses the expected cost plus margin approach to allocate the transaction price to each distinct performance obligation.
- The Company exercises judgement in determining whether the performance obligation is satisfied at a point in time or over a period of time. The Company considers indicators such as how customer consumes benefits as services are rendered or who controls the asset as it is being created or existence of enforceable right to payment for performance to date and alternate use of such product or service, transfer of significant risks and rewards to the customer, acceptance of delivery by the customer, etc.
- Revenue for fixed-price contract is recognised using percentage-of-completion method. The Company uses judgement to estimate the future cost-to-completion of the contracts which is used to determine the degree of completion of the performance obligation.
- Contract fulfilment costs are generally expensed as incurred except for certain software licence costs which meet the criteria for capitalisation. Such costs are amortised over the contractual period or useful life of licence whichever is less. The assessment of this criteria requires the application of judgement, in particular when considering if costs generate or enhance resources to be used to satisfy future performance obligations and whether costs are expected to be recovered.

Dividend income is recorded when the right to receive payment is established. Interest income is recognised using the effective interest method.

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.

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 Leasing

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases. The leasing transaction of the Company comprise of only operating leases.



3.3.1 The Company as lessee

Payments made under operating leases are generally recognised in profit or loss on a straight-line basis over the term of the lease unless such payments are structured to increase in line with the expected general inflation to compensate for the lessors' expected inflationary cost increases. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

3.4 Foreign currency translation

The transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, foreign currency monetary items are translated using the closing rates. Non-monetary items measured at historical cost in a foreign currency are translated using the exchange rate at the date of the transaction and are not translated. Non-monetary items measured at fair value that are denominated in foreign currency are translated using the exchange rates at the date when the fair value was measured.

3.5 Employee benefits

3.5.1 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:

Gratuity:

The Company have an obligation towards gratuity, a defined benefit retirement benefit plan covering eligible employees.

For defined benefit retirement 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.

3.5.2 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.

3.6 Taxation

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

3.6.1 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.

3.6.2 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.



3.6.3 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.

3.7 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, property, plant and equipment 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 capitalized.

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.

3.8 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 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 Company 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.

3.9 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.



3.10 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.

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:

1. 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 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. 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.



Innox Renewables Limited**Notes to the financial statements for the year ended 31 March 2019**

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.

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.

3.11 Derivative financial instruments and hedge accounting

The Company enters into a variety of derivative financial instruments to manage its exposure to interest rate and foreign exchange rate risks, including foreign exchange forward contracts, interest rate swaps and cross currency swaps. Further details of derivative financial instruments are disclosed in Note 32.

Derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedging relationship and the nature of the hedged item.

The Company designates certain hedging instruments, which include derivatives, as either fair value hedges, or cash flow hedges.

At the inception of the hedge relationship, the Company documents the relationship between the hedging instrument and the hedged item, along with its risk management objectives and its strategy for undertaking various hedge transactions. Furthermore, at the inception of the hedge and on an ongoing basis, the Company documents whether the hedging instrument is highly effective in offsetting changes in fair values or cash flows of the hedged item attributable to the hedged risk.

The hedge relationship so designated as fair value is accounted for in accordance with the accounting principles prescribed for hedge accounting under Ind AS 109, 'Financial Instruments'.



a) Fair value hedge:

Hedging instrument is initially recognized at fair value on the date on which a derivative contract is entered into and is subsequently measured at fair value at each reporting date. Gain or loss arising from changes in the fair value of hedging instrument is recognized in the Statement of Profit and Loss. Hedging instrument is recognized as a financial asset in the Balance Sheet if its fair value as at reporting date is positive as compared to carrying value and as a financial liability if its fair value as at reporting date is negative as compared to carrying value.

Hedged item is initially recognized at fair value on the date of entering into contractual obligation and is subsequently measured at amortized cost. The gain or loss on the hedged item is adjusted to the carrying value of the hedged item and the corresponding effect is recognized in the Statement of Profit and Loss and is included in line item 'Loss on foreign currency translation and transactions'.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or when it no longer qualifies for hedge accounting.

3.12 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.

3.13 Business Combinations

Business combinations of entities under common control are accounted using the "pooling of interests" method and assets and liabilities are reflected at the predecessor carrying values and the only adjustments that are made are to harmonise accounting policies. The figures for the previous periods are restated as if the business combination had occurred at the beginning of the preceding period irrespective of the actual date of the combination.

3.14 Recent accounting pronouncements

On 30 March 2019, the ministry of Corporate Affairs has notified Ind AS 116, 'Lease'. Ind AS 116 will replace the existing lease standard Ind AS 17 Leases and related interpretations. Ind AS 116 introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than twelve months, unless the underlying asset is of low value.

Effective date for application of this amendment is annual period beginning on or after April 1, 2019. The Company is currently evaluating the effect of this amendment on the financial statements.

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



Inox Renewables Limited**Notes to the financial statements for the year ended 31 March 2019**

based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

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.

a) Useful lives of Property, Plant & Equipment (PPE) and intangible assets (other than goodwill):

The Company has adopted useful lives of PPE and intangible assets (other than goodwill) as described in Note 3.7 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:

- Recognition of deferred tax assets is based on estimates of taxable profits in future years. The Company prepares detailed cash flow and profitability projections, which are reviewed by the board of directors of the Company. Estimation of current tax expense and payable, recognition of deferred tax assets and possibility of utilizing available tax credits – see Note 18 and Note 35
- Measurement of defined benefit obligations and other long-term employee benefits: – see Note 31
- Assessment of the status of various legal cases/claims and other disputes where the Company does not expect any material outflow of resources and hence these are reflected as contingent liabilities. Recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources – see Note 38
- Impairment of financial assets – see Note 32



INOX RENEWABLES LIMITED

Notes to the financial statements for the year ended 31 March 2019

5 : Property, plant and equipment

(Rs. in Lakh)

Particulars	As at 31 March 2019	As at 31 March 2018
Carrying amounts of:		
Freehold land	160.05	244.05
Plant and equipment	15,254.09	16,213.39
Office equipments	0.58	1.19
Furniture and fixtures	12.28	16.09
Vehicles	0.62	0.82
TOTAL	15,427.62	16,475.54
Capital work-in-progress		
Tangible assets		
Plant and equipment	43,066.49	24,772.49
TOTAL	58,494.11	41,248.03

5.1 Property, plant and equipment

(Rs. in Lakh)

Description of Assets	Freehold land	Plant and equipment	Office equipment	Furniture and fixtures	Vehicles	Total
Cost or Deemed cost						
Balance as at 1 April 2017	97.95	20,503.72	8.05	27.51	1.42	20,638.65
Additions	-	36.42	-	-	-	36.42
Reclassified from assets held for sale (see Note 41)	146.10	3,593.90	-	-	-	3,740.00
Balance as at 31 March 2018	244.05	24,134.04	8.05	27.51	1.42	24,415.07
Additions	-	-	-	-	-	-
Disposals	(84.00)	-	-	-	-	(84.00)
Balance as at 31 March 2019	160.05	24,134.04	8.05	27.51	1.42	24,331.07
Accumulated depreciation and impairment						
Balance as at 1 April 2017	-	7,130.24	5.66	7.61	0.40	7,143.91
Depreciation expense for the year	-	790.41	1.20	3.81	0.20	795.62
Balance as at 31 March 2018	-	7,920.65	6.86	11.42	0.60	7,939.53
Depreciation expense for the year	-	959.30	0.61	3.81	0.20	963.92
Balance as at 31 March 2019	-	8,879.95	7.47	15.23	0.80	8,903.45
Net carrying amount						
Balance as at 31 March 2018	244.05	16,213.39	1.19	16.09	0.82	16,475.54
Balance as at 31 March 2019	160.05	15,254.09	0.58	12.28	0.62	15,427.62



INOX RENEWABLES LIMITED

Notes to the financial statements for the year ended 31 March 2019

5.2 : Other intangible assests**(Rs. in Lakh)**

Description of Assets	Computer software	Total
Gross Block		
Balance as at 1 April 2017	0.25	0.25
Balance as at 31 March 2018	0.25	0.25
Balance as at 31 March 2019	0.25	0.25
Accumulated amorisation and impairment		
Balance as at 1 April 2017	0.25	0.25
Balance as at 31 March 2018	0.25	0.25
Balance as at 31 March 2019	0.25	0.25

Net carrying amount	Computer software	Total
Balance as at 31 March 2018	-	-
Balance as at 31 March 2019	-	-



INOX RENEWABLES LIMITED

Notes to the financial statements for the year ended 31 March 2019

6 : Investments

Non-Current

(Rs. in Lakh)

Particulars	As at 31 March 2019	As at 31 March 2018
Investment in Government securities (unquoted, fully paid up) at amortised cost		
National Saving Certificates	0.32	0.29
Total	0.32	0.29

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

	As at 31 March 2019	As at 31 March 2018
Investments carried at amortised cost	0.32	0.29

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

7 : Other financial assets

Non-Current

(Rs. in Lakh)

Particulars	As at 31 March 2019	As at 31 March 2018
Fixed Deposits		
Non-current bank balances (from note 12)	1.50	100.58
Total	1.50	100.58

Current

(Rs. in Lakh)

Particulars	As at 31 March 2019	As at 31 March 2018
Security Deposits	1.85	12.86
Unbilled Revenue (Refer Note No 42)	1,067.18	680.73
Others	100.59	1,230.49
Total	1,169.62	1,924.08



INOX RENEWABLES LIMITED

Notes to the financial statements for the year ended 31 March 2019

8 : Income tax assets (net)**Non-Current****(Rs. in Lakh)**

Particulars	As at 31 March 2019	As at 31 March 2018
Income tax paid (net of provision)	754.48	752.54
Income tax paid under protest	96.40	96.40
Total	850.88	848.94

9 : Other assets**Non-Current****(Rs. in Lakh)**

Particulars	As at 31 March 2019	As at 31 March 2018
Capital Advances		
Considered good - Unsecured	2,150.00	2,150.00
Considered doubtful	423.83	423.83
	2,573.83	2,573.83
Less: Provision for doubtful advances	(423.83)	(423.83)
Total	2,150.00	2,150.00

Current**(Rs. in Lakh)**

Particulars	As at 31 March 2019	As at 31 March 2018
Advances to suppliers	27.31	7.42
Prepayments	72.92	67.80
Total	100.23	75.22



INOX RENEWABLES LIMITED

Notes to the financial statements for the year ended 31 March 2019

10 : Trade receivables : Current**(Rs. in Lakh)**

Particulars (unsecured, considered good, unless otherwise stated)	As at 31 March 2019	As at 31 March 2018
Considered good	937.27	2,248.81
Less: Allowances for expected credit losses	(10.23)	(0.10)
Total	927.04	2,248.71

11 : Cash and cash equivalents**(Rs. in Lakh)**

Particulars	As at 31 March 2019	As at 31 March 2018
Balances with banks		
-In Current accounts	1,348.73	292.22
Cash on hand	0.01	0.01
Fixed deposits with original maturity period of less than 3 months	-	1,775.28
Total	1,348.74	2,067.51

12 : Other bank balances**(Rs. in Lakh)**

Particulars	As at 31 March 2019	As at 31 March 2018
Fixed Deposit with original maturity for more than 12 months	108.41	101.77
Less : Amount disclosed under Note 7: Other financial assets - non current	(1.50)	(100.58)
Total	106.91	1.19

Note : Other bank balances include Fixed Deposit amounting to Rs. 100 Lakh (Previous Year Nil) kept as security against Bank Guarantee.



INOX RENEWABLES LIMITED

Notes to the financial statements for the year ended 31 March 2019

13 : Equity share capital

(Rs. in Lakh)

Particulars	As at 31 March 2019	As at 31 March 2018
Authorised:		
11,01,00,000 equity shares (31 March 2018: 40,00,000) of Rs. 10 each (Refer Note 37)	11,010.00	400.00
Issued, subscribed and fully paid up:		
33,75,000 equity shares (31 March 2018: 33,75,000) of Rs. 10 each	337.50	337.50
Total	337.50	337.50

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

Particulars	As at 31 March 2019		As at 31 March 2018	
	No. of shares	Amount (Rs. in Lakh)	No. of shares	Amount (Rs. in Lakh)
Outstanding at the beginning of the year	33,75,000	337.50	33,75,000	337.50
Outstanding at the end of the year	33,75,000	337.50	33,75,000	337.50

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 2019		As at 31 March 2018	
	No. of shares	Amount (Rs. in Lakh)	No. of shares	Amount (Rs. in Lakh)
Gujarat Fluorochemicals Limited(*)	33,75,000	337.50	33,75,000	337.50
Total	33,75,000	337.50	33,75,000	337.50

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

Name of shareholder	As at 31 March 2019		As at 31 March 2018	
	No. of shares	% of holding	No. of shares	% of holding
Gujarat Fluorochemicals Limited(*)	33,75,000	100.00%	33,75,000	100.00%
Total	33,75,000	100.00%	33,75,000	100.00%

(*) Including shares held through nominee shareholders



INOX RENEWABLES LIMITED

Notes to the financial statements for the year ended 31 March 2019

14 : Other equity**(Rs. in Lakh)**

Particulars	As at 31 March 2019	As at 31 March 2018
Securities premium	12,545.00	12,545.00
Revaluation reserve	8,026.98	8,026.98
Cash flow hedging reserve	-	-
Retained earnings	(8,237.41)	(6,129.09)
TOTAL	12,334.57	14,442.89

14.1) Securities premium**(Rs. in Lakh)**

Particulars	As at 31 March 2019	As at 31 March 2018
Balance as at beginning of the year	12,545.00	12,545.00
Balance as at end of the year	12,545.00	12,545.00

Securities premium represents premium received on issue of shares. The reserve is utilized in accordance with the provisions of the Companies Act, 2013.

14.2) Revaluation reserve**(Rs. in Lakh)**

Particulars	As at 31 March 2019	As at 31 March 2018
Balance as at beginning of the year	8,026.98	8,026.98
Balance as at end of the year	8,026.98	8,026.98

For nature of revaluation reserve (see Note 40)

14.3) Cash flow hedging reserve**(Rs. in Lakh)**

Particulars	As at 31 March 2019	As at 31 March 2018
Balance at beginning of year	-	(139.22)
Additions during the year	-	-
Gain/(loss) arising on changes in fair value of designated portion of hedging instruments entered into for cash flow hedges - Interest rate swaps	-	212.90
Income tax related to net gains/losses recognised in other comprehensive income	-	(73.68)
Balance at end of year	-	-



INOX RENEWABLES LIMITED**Notes to the financial statements for the year ended 31 March 2019**

The cash flow hedging reserve represents the cumulative effective portion of gains or losses arising on changes in fair value of designated portion of hedging instruments entered into for cash flow hedges. The cumulative gain or loss arising on changes in fair value of the designated portion of the hedging instruments that are recognised and accumulated under the heading of cash flow hedging reserve will be reclassified to profit or loss only when the hedged transaction affects the profit or loss, or included as a basis adjustment to the non-financial hedged item.

14.4) Retained earnings**(Rs. in Lakh)**

Particulars	As at 31 March 2019	As at 31 March 2018
Opening Balance as reported earlier		(9,687.37)
Add: Accumulated profit of Inox Renewables (Jaisalmer) Limited on amalgamation (Refer Note 37)		2,260.63
Restated Opening Balance	(6,129.09)	(7,426.74)
Profit/(Loss) for the year	(2,111.96)	1,297.20
Remeasurement of defined benefit obligation net of income tax	3.64	0.45
Balance at end of year	(8,237.41)	(6,129.09)

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 are not distributable in entirety.



INOX RENEWABLES LIMITED

Notes to the financial statements for the year ended 31 March 2019

15 : Provisions
Non-Current

(Rs. in Lakh)

Particulars	As at 31 March 2019	As at 31 March 2018
Provision for employee benefits (see Note 31)		
-Gratuity	17.39	20.73
-Compensated absences	9.35	13.99
Total Provisions	26.74	34.72

Current

(Rs. in Lakh)

Particulars	As at 31 March 2019	As at 31 March 2018
Provision for employee benefits (see Note 31)		
Gratuity	13.77	21.54
Compensated absences	13.72	27.75
Total Provisions	27.49	49.29

16 : Other liabilities
Non-current

(Rs. in Lakh)

Particulars	As at 31 March 2019	As at 31 March 2018
Income received in advance	3,879.92	4,217.51
Total	3,879.92	4,217.51

Current

(Rs. in Lakh)

Particulars	As at 31 March 2019	As at 31 March 2018
Income received in advance	310.00	290.81
Statutory dues and taxes payable	290.98	139.56
Total	600.98	430.37

17 : Current borrowings

(Rs. in Lakh)

Particulars	As at 31 March 2019	As at 31 March 2018
Loans from related parties		
Inter-corporate deposits from holding company	27,295.24	23,694.60
	27,295.24	23,694.60
Less: Interest accrued disclosed under the Note 20 : Other financial liabilities - current	(3,095.24)	(994.60)
Total	24,200.00	22,700.00

For terms of repayment and securities - see Note 36



INOX RENEWABLES LIMITED
Notes to the financial statements for the year ended 31 March 2019
18 : Deferred tax liabilities (Net)
Year ended 31 March 2019
The major components of deferred tax assets/(liabilities) are in relation to:
(Rs. in Lakh)

Particulars	As at 1 April 2018	Recognised in profit or loss	Recognised in other comprehensive income	Adjusted against current tax liability	As at 31 March 2019
Business losses	491.42	434.10	-	-	925.52
Compensated absences	8.08	(1.36)	-	-	6.72
Gratuity	7.35	3.22	(1.50)	-	9.07
Provision for expected credit loss	0.03	(3.01)	-	-	(2.98)
Cash flow hedge reserve	-	-	-	-	-
Property, plant and equipment	(3,216.23)	(229.07)	-	-	(3,445.30)
Total	(2,709.35)	203.88	(1.50)	-	(2,506.97)
MAT credit entitlement	1,028.57	-	-	-	1,028.57
Net deferred tax liabilities	(1,680.78)	203.88	(1.50)	-	(1,478.40)

Year ended 31 March 2018
The major components of deferred tax assets/(liabilities) are in relation to:
(Rs. in Lakh)

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
Business losses	2,110.50	(1,619.08)	-	-	491.42
Compensated absences	9.31	(1.23)	-	-	8.08
Gratuity	7.04	1.63	(1.32)	-	7.35
Provision for expected credit loss	64.46	(64.43)	-	-	0.03
Cash flow hedge reserve	73.68	-	(73.68)	-	-
Property, plant and equipment	(5,218.65)	2,002.42	-	-	(3,216.23)
Total	(2,953.66)	319.31	(75.00)	-	(2,709.35)
MAT credit entitlement	1,290.03	-	-	(261.46)	1,028.57
Net deferred tax liabilities	(1,663.63)	319.31	(75.00)	(261.46)	(1,680.78)



INOX RENEWABLES LIMITED**Notes to the financial statements for the year ended 31 March 2019****19 : Trade payables****(Rs. in Lakh)**

Particulars	As at 31 March 2019	As at 31 March 2018
Trade payables		
a) Total outstanding dues of micro and small enterprises	-	-
b) Total outstanding dues of creditors other than micro and small enterprises	867.40	510.56
Total	867.40	510.56

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 in terms of section 16 of the said Act.

20 : Other Financial Liabilities**(Rs. in Lakh)**

Particulars	As at 31 March 2019	As at 31 March 2018
Interest accrued	3,095.24	994.60
Creditors for capital expenditure	17,301.64	1,716.12
Economic benefit payable to transferee of projects (Refer Note 41)	396.58	2,209.43
Employees due payables	68.94	68.15
Expenses payables	190.95	555.78
Total	21,053.35	5,544.08

21 : Tax liabilities**Current****(Rs. in Lakh)**

Particulars	As at 31 March 2019	As at 31 March 2018
Provision for Income tax (net of payments)	343.00	716.85
Total	343.00	716.85



INOX RENEWABLES LIMITED

Notes to the financial statements for the year ended 31 March 2019

22 : Revenue from operations

(Rs. in Lakh)

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Sale of energy	1,939.86	18,575.32
Other operating revenue	318.03	319.66
Total	2,257.89	18,894.98

23 : Other income

(Rs. in Lakh)

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
(a) Interest Income		
(I) On financial assets using effective interest method:		
On fixed deposits with banks	22.45	149.76
(II) Other interest income		
Other interest (*)	0.03	2,429.43
Interest on Income Tax Refund	-	9.69
(b) Other non-operating income		
Allowance for expected credit losses reversed	-	224.41
Liabilities and provisions no longer required, written back	-	550.46
Profit on disposal of property, plant and equipment	3.50	
Miscellaneous Income	7.41	14.65
(c) Other gains and losses		
Net gain/(loss) on derivatives	-	4.63
Total	33.39	3,383.03

(*) Other interest includes interest received amounting to Rs. Nil (Previous Year Rs. 2265.19 Lakh) pursuant to agreement for sale of projects and interest on delayed recoveries from customer.

24 : Operation and maintenance expenses

(Rs. in Lakh)

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Operations and maintenance expenses	502.77	2,175.61
Total	502.77	2,175.61

25 : Employee benefits expense

(Rs. in Lakh)

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Salaries and wages	260.74	279.36
Gratuity	10.19	13.56
Contribution to provident and other funds	12.21	13.69
Staff welfare expenses	-	0.28
Total	283.14	306.89



INOX RENEWABLES LIMITED

Notes to the financial statements for the year ended 31 March 2019

26 : Finance costs

(Rs. in Lakh)

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Interest on financial liabilities at amortised cost		
Interest on borrowings	-	4,147.59
Interest on loans from related parties	2,334.04	2,689.07
Other Interest		
Interest on income tax	-	53.60
Other interest expense	16.66	-
Other borrowings cost :-		
Other borrowings costs (*)	0.03	770.52
Total	2,350.73	7,660.78

(*) Other borrowing costs in Previous year 17-18 includes Rs. 690.00 Lakh of covenant breach fees paid in respect of borrowings from a bank.

27 : Depreciation and amortisation expense

(Rs. in Lakh)

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Depreciation of property, plant and equipment	963.92	795.62
Total	963.92	795.62

28 : Other expenses

(Rs. in Lakh)

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Rent expense	10.65	29.89
Rates and taxes	11.44	4.53
Legal and professional fees and expenses	329.90	175.66
Repairs to plant and equipment	19.96	104.49
Insurance expenses	2.86	82.23
Bad debts and remissions (net of provision for trade receivables adjusted in Previous year 471.56)	-	29.28
Provision for doubtful advances	-	423.83
Provision for trade receivables [Expected credit loss]	10.13	-
Economic benefit payable to transferee of projects (see note 41)	-	8,918.23
Miscellaneous expenses	120.66	57.02
Total	505.60	9,825.16

Legal and professional fees and expense includes:	Year ended 31 March 2019	Year ended 31 March 2018
Statutory Audit	5.10	14.55
Taxation matters	1.10	1.75
Certification fees	0.30	0.35
Others	1.35	-
Out of pocket expenses	0.13	0.59
Total	7.98	17.24

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



INOX RENEWABLES LIMITED**Notes to the financial statements for the year ended 31 March 2019****29 : Earnings per share**

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
a) Net profit/(loss) attributable to equity shareholders (Rs. in lakh)	(2,111.96)	1,297.20
b) Weighed average number of equity shares used in calculation of basic and diluted EPS (Nos)	33,75,000	33,75,000
c) Nominal value of equity share (Rs.)	10.00	10.00
d) Basic and diluted earnings/(loss) per equity share (Rs)	(62.58)	38.44



INOX RENEWABLES LIMITED

Notes to the financial statements for the year ended 31 March 2019

30 : Related party transactions**Relationships****(i) Where control exists :**

Gujarat Fluorochemicals Limited - Holding company

Inox Leasing and Finance Limited - Ultimate holding company

(ii) Other related parties with whom there are transactions during the year**Key Management Personnel (KMP)**

Bhupesh Kumar Juneja - Whole time director

Pavan Kumar Jain - Non-executive director

Vivek Kumar Jain - Non-executive director

Devansh Jain - Non-executive director

Deepak Asher - Non-executive director

Shanti Prasad Jain - Non-executive director

V.Sankaranarayanan - Non-executive director

Pooja Paul - Non-executive director [Director of amalgamated company Inox Renewables (Jaisalmer) Limited]

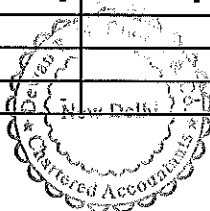
Fellow Subsidiaries

Inox Wind Limited - Subsidiary of Gujarat Fluorochemicals Limited

Inox Wind Infrastructure Services Limited - Subsidiary of Inox Wind Limited

A) Particulars of transactions during the year**(Rs.in Lakh)**

Particulars	Holding company		Fellow subsidiaries		Total	
	2018-2019	2017-2018	2018-2019	2017-2018	2018-2019	2017-2018
(a) Operation and maintenance charges paid						
Inox Wind Infrastructure Services Limited	-	-	76.02	1,143.54	76.02	1,143.54
(b) Inter-corporate deposits received						
Gujarat Fluorochemicals Limited	1,500.00	12,700.00	-	-	1,500.00	12,700.00
Inox Wind Limited	-	-	-	5,225.42	-	5,225.42
	1,500.00	12,700.00	-	5,225.42	1,500.00	17,925.42
(c) Inter-corporate deposits refunded						
Gujarat Fluorochemicals Limited	-	10,000.00	-	-	-	10,000.00
Inox Wind Limited	-	-	-	11,769.72	-	11,769.72
	-	10,000.00	-	11,769.72	-	21,769.72
(d) Interest expense on inter-corporate deposits						
Gujarat Fluorochemicals Limited	2,334.04	2,294.26	-	-	2,334.04	2,294.26
Inox Wind Limited	-	-	-	394.81	-	394.81
	2,334.04	2,294.26	-	394.81	2,334.04	2,689.07
(e) Reimbursement of expenses paid / payments made on behalf of the Company						
Inox Wind Limited	-	-	5.43	63.40	5.43	63.40
Inox Wind Infrastructure Services Limited	-	-	14.78	9.17	14.78	9.17
	-	-	20.21	72.57	20.21	72.57
(f) Purchase of assets						
Inox Wind Limited	-	-	18,294.00	20,990.00	18,294.00	20,990.00
(g) Sale of assets						
Inox Wind Infrastructure Services Limited	-	-	87.50	-	87.50	-
(h) Advance given for purchase of services						
Inox Wind Infrastructure Services Limited	-	-	-	2,150.00	-	2,150.00



INOX RENEWABLES LIMITED

Notes to the financial statements for the year ended 31 March 2019

30 : Related party transactions - continued**B) Compensation of Key management personnel**

Particulars	2018-2019	2017-2018
Remuneration paid -		
Bhupesh Kumar Juneja	83.64	79.08
Sitting fees paid to directors	20.30	21.84
Total	103.94	100.92

Particulars	2018-2019	2017-2018
Short Term Benefits	83.64	79.08
Post employment benefits*		
Long Term employee benefits*		
Share based payments	-	-
Termination benefits	-	-
Sitting fees paid to directors	20.30	21.84
Total	103.94	100.92

The remuneration of directors and Key Management Personnel (KMP) is determined by the Nomination and Remuneration Committee having regard to the performance of individuals and market trends. Contribution to provident fund (defined contribution plan) is Rs. 2.09 lakh (previous year Rs. 3.58 lakh) included in the amount of remuneration reported above.

* As the liabilities for the defined benefit plans and other long term benefits are provided on actuarial basis for the Company, the amount pertaining to KMP are not included above.

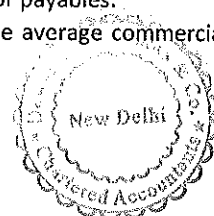
(C) Balance as at the end of the year**(Rs. in Lakh)**

Particulars	Holding company		Fellow subsidiaries		Total	
	2018-2019	2017-2018	2018-2019	2017-2018	2018-2019	2017-2018
(a) Amount payable						
Trade payable and other financial liability						
Gujarat Fluorochemicals Limited	9.16	9.16	-	-	9.16	9.16
Inox Wind Limited	-	-	17,675.00	2,112.35	17,675.00	2,112.35
Inox Wind Infrastructure Services Limited	-	-	361.12	273.25	361.12	273.25
	9.16	9.16	18,036.12	2,385.60	18,045.28	2,394.76
Inter-corporate deposits payable						
Gujarat Fluorochemicals Limited	24,200.00	22,700.00	-	-	24,200.00	22,700.00
	24,200.00	22,700.00	-	-	24,200.00	22,700.00
Interest payable on inter-corporate deposits						
Gujarat Fluorochemicals Limited	3,095.24	994.60	-	-	3,095.24	994.60
	3,095.24	994.60	-	-	3,095.24	994.60
Advance for purchase of service						
Inox Wind Infrastructure Services Limited	-	-	2,150.00	2,150.00	2,150.00	2,150.00

Above amounts are exclusive of taxes, wherever applicable.

Notes:

- Sales, purchases and service transactions with related parties are made at arm's length price.
- Amounts outstanding are unsecured and will be settled in cash or receipts of goods and services.
- No expense has been recognised for the year ended 31 March 2019 and 31 March 2018 for bad or doubtful trade receivables in respect of amounts owed by related parties.
- There have been no guarantees received or provided for any related party receivables or payables.
- The Company has been provided inter corporate deposits at rate comparable to the average commercial rate of interest of holding company. These loans are unsecured.



INOX RENEWABLES LIMITED**Notes to the financial statements for the year ended 31 March 2019****31. 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 9.99 Lakh (31 March 2018: Rs. 11.01 Lakh) 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 2019 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 :

Gratuity	(Rs. in Lakh)	
	As at 31 March 2019	As at 31 March 2018
Opening defined benefit obligation	42.27	30.48
Interest cost	2.55	2.04
Current service cost	7.64	6.51
Past service cost	-	5.01
Benefits paid	(16.16)	-
Actuarial (gain) / loss on obligations	(5.14)	(1.77)
Present value of obligation as at the year end	31.16	42.27

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

Gratuity	(Rs. in Lakh)	
	As at 31 March 2019	As at 31 March 2018
Current service cost	7.64	6.51
Past service cost (gain)/loss from settlements	-	5.01
Interest cost	2.55	2.04
Amount recognised in profit or loss	10.19	13.56
Actuarial (gain)/loss	(5.14)	(1.77)
Amount recognised in other comprehensive income	(5.14)	(1.77)
Total	5.05	11.79



INOX RENEWABLES LIMITED**Notes to the financial statements for the year ended 31 March 2019****31. Employee benefits - continued**

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

Particulars	31 March 2019	31 March 2018
Discount rate	7.60%	7.42%
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

- 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.

Particulars	(Rs in Lakh)	
	Gratuity	
	2018-2019	2017-2018
Impact on present value of defined benefit obligation:		
If discount rate is increased by 1%	29.13	(2.64)
If discount rate is decreased by 1%	33.56	3.15
If salary escalation rate is increased by 1%	33.46	3.02
If salary escalation rate is decreased by 1%	29.18	(2.68)

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.



INOX RENEWABLES LIMITED**Notes to the financial statements for the year ended 31 March 2019****31. Employee benefits - continued**

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

Discounted Expected outflow in future years (as provided in actuarial report)		(Rs in Lakh)
Particulars	2018-2019	2017-2018
	Gratuity	
Expected outflow in 1st Year	13.77	21.54
Expected outflow in 2nd Year	0.95	1.26
Expected outflow in 3rd Year	0.98	1.26
Expected outflow in 4th Year	1.00	1.27
Expected outflow in 5th Year	1.03	1.27
Expected outflow in 6th to 10th Year	5.61	6.47

The average duration of the defined benefit plan obligation at the end of the reporting period is 12.25 years.

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

The liability towards compensated absences (annual and short term leave) for the year ended 31 March 2019 based on actuarial valuation carried out by using Projected accrued benefit method resulted in decrease in liability by Rs. 18.67 Lakh (31 March 2018: increase in liability by Rs 7.53 lakh), 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 2019	31 March 2018
Discount rate	7.60%	7.42%
Expected rate of salary increase	8.00%	8.00%
Employee Attrition Rate	5%	5%
Mortality	IALM(2006-08)Ultimate Mortality Table	



INOX RENEWABLES LIMITED

Notes to the financial statements for the year ended 31 March 2019

32. Financial Instruments**(A) Categories of financial instruments****(Rs. in Lakh)**

	As at 31 March 2019	As at 31 March 2018
(A) Financial assets		
1) Measured at amortised cost		
(a) Investments	0.32	0.29
(b) Cash and bank balances	1,455.65	2,068.70
(c) Trade receivables	927.04	2,248.71
(d) Other financial assets	1,171.12	2,024.66
Sub-total	3,554.13	6,342.36
Total financial assets	3,554.13	6,342.36
(B) Financial liabilities		
1) Measured at amortised cost		
(a) Borrowings	27,295.24	23,694.60
(b) Trade payables	867.40	510.56
(c) Other financial liabilities	17,958.11	4,549.48
Sub-total	46,120.75	28,754.64
Total financial liabilities	46,120.75	28,754.64

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

(B) Financial risk management

The Company's corporate finance function provides services to the business, coordinates access to financial market, monitors and manages the financial risks relating to the operations of the Company through internal risk reports which analyse exposures by degree and magnitude of the risk. These risks include market risk (including interest rate risk and other price risk), credit risk and liquidity risk.

The Company seeks to minimize the effects of these risks by using derivative financial instruments to hedge risk exposures. The use of financial derivatives is governed by the Company's policies approved by the Board of Directors of the Company, which provide written 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.

The financial assets and liabilities of the Company are not exposed to changes in foreign currency exchange risk, interest rate and other price risk.

(i) Market Risk

Market risk is the risk that future cash flows will fluctuate due to changes in market prices i.e. interest rate risk and price risk.

(a) 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 is not exposed to interest rate risk because it has no borrowings on variable rate of interest.



INOX RENEWABLES LIMITED**Notes to the financial statements for the year ended 31 March 2019****32. Financial Instruments - continued****(b) 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.

(ii) 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 wind turbine equipments to customers which are installed and commissioned generally by a group company and it involves various activities such as civil work, electrical & mechanical work and commissioning activities. The payment terms with customers are fixed as per industry norms. The above activities lead to certain amounts becoming due for payment on completion of related activities and commissioning. The Company considers such amounts as due only on completion of related milestones. However, the group company has also long term operation and maintenance contract with such customers. Accordingly, risk of recovery of such amounts is mitigated. Customers who represents more than 5% of the total balance of Trade Receivable as at 31 March 2019 is Rs. 841.13 lakh (as at 31 March 2018 of Rs. 2,042.41 lakh) are due from 4 major customers (2 customers as at 31 March 2018) who are reputed parties. All trade receivables are reviewed and assessed for default on a quarterly basis.

For trade receivables, as a practical expedient, the Company computes credit loss allowance based on a provision matrix. 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. The provision matrix at the end of the reporting period is as follows:

Expected credit loss (%)

Ageing	As at 31 March 2019	As at 31 March 2018
0-180 days	0.10%	0.00%
181-365 days	0.50%	0.50%
Above 365 days	1.50%	1.50%

Age of receivables**(Rs. in Lakh)**

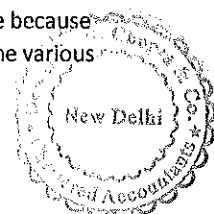
Particulars	As at 31 March 2019	As at 31 March 2018
0-180 days	112.70	2,228.81
181-365 days	225.15	20.00
Above 365 days	599.42	-
Gross trade receivables	937.27	2,248.81

Movement in the expected credit loss allowance :

Particulars	As at 31 March 2019	As at 31 March 2018
Balance as at beginning of the year	0.10	224.51
Movement in expected credit loss allowance	10.13	(224.41)
Balance as at end of the year	10.23	0.10

b) Other balances with banks

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.



INOX RENEWABLES LIMITED**Notes to the financial statements for the year ended 31 March 2019****32. Financial Instruments - continued****c) 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.

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

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.

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'.

iii) Liquidity Risk Management

Ultimate responsibility for liquidity risk management rests with the committee of board of directors of the 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 and reserve borrowing 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 derivative as well as non-derivative 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.

(Rs. in Lakh)				
Particulars	Less than 1 year	1 to 5 year	5 years and above	Total
As at 31 March 2019				
Borrowings	24,200.00	-	-	24,200.00
Trade payables	867.40	-	-	867.40
Other financial liabilities	21,053.35	-	-	21,053.35
	46,120.75	-	-	46,120.75
As at 31 March 2018				
Borrowings	22,700.00	-	-	22,700.00
Trade payables	510.56	-	-	510.56
Other financial liabilities	5,544.08	-	-	5,544.08
	28,754.64	-	-	28,754.64

The above liabilities will be met by the Company from internal accruals, realization of current and non-current financial assets (other than strategic investments).



INOX RENEWABLES LIMITED**Notes to the financial statements for the year ended 31 March 2019****32. Financial Instruments - continued****(iv) 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.

33. Capital management

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

The Company's capital management objectives are:

- to ensure the Company's ability to continue as a going concern
- to provide an adequate return to shareholders by pricing products and services commensurately with the level of risk.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Company monitors capital using a gearing ratio, which is net debt divided by total equity. The Company includes within net debt, interest bearing loans and borrowings, trade and other payables, less cash and cash equivalents, excluding discontinued operations, if any.

The gearing ratio at the end of the reporting period was as follows: (Rs. in lakh)

Particulars	As at 31 March 2019	As at 31 March 2018
Total Debt	27,295.24	23,694.60
Less: Cash and bank balances (excluding Fixed deposits kept as lien)	1,457.15	2,169.28
Net debt	25,838.09	21,525.32
Total Equity	12,672.07	14,780.39
Net debt to equity ratio	203.90%	145.63%

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. No changes were made in the objectives, policies or processes for managing capital during the years ended 31 March, 2019 and 31 March, 2018.



INOX RENEWABLES LIMITED

Notes to the financial statements for the year ended 31 March 2019

34 : Operating lease arrangements**Leasing arrangements**

The Company's significant leasing arrangements are in respect of operating leases for premises (offices and residential accommodations). These lease arrangements are cancellable, range between 11 to 36 months and are usually renewable by mutual consent on mutually agreeable terms.

Payments recognised as an expense

(Rs. in Lakh)		
Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Minimum lease payments	10.65	29.89

35 : Income tax**Income tax recognised in profit or loss**

(Rs. in Lakh)		
Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Current tax		
In respect of the current year	-	1,760.00
Minimum alternate tax	-	-
In respect of prior years	0.96	16.88
	0.96	1,776.88
Deferred tax		
In respect of the current year	(203.88)	(1,662.89)
	(203.88)	(1,662.89)
Total income tax expense recognised in the current year	(202.92)	113.99

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

(Rs. in Lakh)		
Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Loss before tax	(2,314.88)	1,411.19
Income tax expense calculated at 29.12% (P.Y. 34.608%)	(674.09)	488.39
Deferred Tax		
Effect of expenses that are not deductible in determining taxable profit	(1.21)	158.94
Tax Incentive	-	(67.76)
Benefit from previously unrecognized temporary differences	-	(43.38)
Effect of permanent differences and reversal of deferred tax on measurement of non-current assets classified as held for sale	-	18.48
Others	471.42	41.12
Effect on deferred tax balances in Previous Year due to the change in income tax rate from 34.608% to 29.12%	-	(498.68)
	(203.88)	97.11
Taxation pertaining to earlier years	0.96	16.88
Income tax expense recognised in profit or loss	(202.92)	113.99



Inox Renewables Limited**Notes to the financial statements for the year ended 31 March 2019****36: Terms of repayment and for current borrowings****(Rs. in Lakh)**

Particulars	As at 31 March 2019	As at 31 March 2018	Terms of repayment	Rate of Interest
Inter-corporate deposits from holding company	27,295.24	23,694.60	Unsecured loan from Gujarat Fluorochemicals Limited - This inter-corporate deposit is repayable on demand.	9.35% p.a. - 10.00% p.a

37: Accounting and Disclosures for Scheme of Amalgamation

The National Company Law Tribunal ("NCLT"), Ahmedabad bench vide its Order dated 3 April 2019 has approved the Scheme of Amalgamation of Inox Renewables (Jaisalmer) Limited, a wholly owned subsidiary, with the Company. The Scheme was approved by the Board of Directors on 26 September 2018. Consequent to the said Order and filing of the final certified Orders with the Registrar of the Companies, Gujarat on 25 April 2019, the Scheme has become effective upon the completion of the filing with effect from the Appointed Date of 1 April 2018.

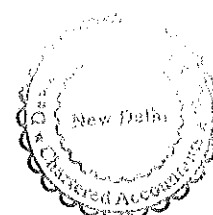
Upon coming into effect of the Scheme, the undertaking of Inox Renewables (Jaisalmer) Limited stands transferred to and vested in the Company with effect from the Appointed Date.

As this is a business combination of entity under common control, the amalgamation has been accounted using the 'pooling of interest' method (in accordance with the approved Scheme). The figures for the previous periods have been recast as if the amalgamation had occurred from the beginning of the preceding period to harmonise the accounting for the Scheme with the requirements of Appendix C of Ind AS 103 on Business Combinations. The following Assets and Liabilities and Income and Expense are included (after eliminating the inter company balances) in the financial statements of the Company for the periods presented below:

(Rs. in Lakh)

Particulars	31 March 2019	31 March 2018
Assets	4.82	478.68
Liabilities	601.36	1,257.69
Net Assets	606.18	1,736.37
Income	9.85	5,203.85
Expense	147.33	4,256.00
Other Comprehensive Income	8.55	(2.77)
Exceptional items	-	519.97

All equity shares of Inox Renewables (Jaisalmer) Limited held by the Company were cancelled without any further application, act or deed. Accordingly, the investment held by the Company in Inox Renewables (Jaisalmer) Limited aggregating to Rs. 10,605 Lakh has been eliminated. However, Authorised Share Capital of Inox Renewables (Jaisalmer) Limited has been amalgamated with the Authorised Share Capital of the Company and stands increased from Rs. 400 Lakh to Rs. 11010 Lakh. This amalgamation did not involve any cash outflow (except for the transaction costs which was expensed out) as Inox Renewables (Jaisalmer) Limited was a wholly owned subsidiary and the amalgamation has been accounted using the 'pooling of interest' method.



INOX RENEWABLES LIMITED
CIN: U40100GJ2010PLC062869

Notes to the financial statements for the year ended 31 March 2019

38 : Contingent liabilities

(Rs. in Lakh)		
Particulars	As at 31 March 2019	As at 31 March 2018
a) Claims against the Company not acknowledged as debt	102.32	68.20
b) Other money for which the Company is contingently liable:		
i) Litigation with one of the state electricity distribution boards	870.00	870.00
ii) Income Tax demand in respect of assessment year 2013-14, 2014-15 & 2015-16. The Company is contesting the demand and has filed appeal under the applicable laws.	483.24	483.24
iii) Rajasthan VAT demand in respect of financial year 2012-13. The Company is contesting the demand and has filed appeal under the applicable laws.	96.38	-

In respect of above matters, no additional provision is considered necessary as the Company expects favourable outcome. Further, it is not possible for the Company to estimate the timing and amounts of further cash outflows, if any, in respect of these matters.

39 : Capital Commitments

(Rs.in Lakh)		
Particulars	As at 31 March 2019	As at 31 March 2018
Commitments for the acquisition of property, plant and equipment (net of advances)	25,834.00	21,514.00

40 : Revaluation reserve

On 30 March, 2012, the Company revalued its fixed assets of the wind energy business acquired as part of slump sale from Gujarat Fluorochemicals Limited, the holding Company. Consequently Rs. 41,878.13 lakh was credited to the revaluation reserve with corresponding addition to gross block of respective fixed assets. Till 31 March, 2014, the depreciation on the revalued assets had been adjusted against the revaluation reserve. However, from financial year 2014-2015 onwards, pursuant to Schedule II of the Companies Act 2013 which requires charging depreciation on the cost of an asset or revalued amount, the depreciation on the revalued asset amounting to Rs. 1,788.44 Lakh has been charged to Statement of Profit & Loss for the year ended 31 March, 2017. On 7 March, 2017, Company had signed Business Transfer Agreement with a buyer for the sale of Wind Turbine Generators (WTGs). On the basis of agreed price of transfer of WTG's Company had adjusted the loss Rs. 9,185.83 Lakh against the revaluation reserve. Company had also adjusted Rs. 5,006.57 Lakh against the revaluation reserve on account of Impairment loss. Further, Company has transferred excess revaluation reserve amounting Rs. 15,225.38 Lakh to retained earnings.



INOX RENEWABLES LIMITED
CIN: U40100GJ2010PLC062869

Notes to the financial statements for the year ended 31 March 2019

41 : Exceptional Items

Particulars	(Rs. in Lakh)	
	2018-2019	2017-2018
a) Loss on measurement of non current assets as held for sale	-	1,092.21
b) Loan prepayment charges	-	(989.45)
	-	102.76

The Company was operating wind farm projects comprising of 139 Wind Turbine Generators (WTGs) for generation and sale of power. These 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 decided to sell the projects comprising of 125 WTGs and in pursuance thereof, entered into a Business Transfer Agreement (BTA) with Ivy Eco Energy India Private Limited to transfer 93 WTGs and with Vanilla Clean Power Private Limited to transfer 32 WTGs. Accordingly the company had classified them as "assets held for sale". The fair value of these WTGs, less cost to sell, based on the business transfer agreement of these 125 WTG projects as at March 31, 2017 was determined at Rs. 102,419.11 Lakh. As at March 31, 2017 the carrying amount of these WTG's was Rs. 132,736.69 Lakh (including Revaluation surplus amounting to Rs. 20,246.87 lakh recognized in earlier years). Therefore, assets were restated at lower of carrying amount or net fair value. Accordingly the difference of Rs. 21,131.75 Lakh between the fair value less cost to sell and the carrying amount, and certain prepaid expenses relating to asset held for sale amounting to Rs. 99.88 Lakh, aggregating to Rs. 21231.63 Lakh was recognized as exceptional item in the Statement of Profit and Loss for the year ended 31 March 2017. Further, Rs. 9,185.83 Lakh, representing revaluation reserve, to the extent attributable to these assets, was recognized in 'Other Comprehensive Income' for the year ended 31 March 2017.

During the Previous year, the Company has recognized further loss of Rs. 1092.21 Lakh being the lower of the carrying amounts of assets and fair value less cost of sale and is included in exceptional items.

In addition to above, during the Previous year the Company has recovered foreign exchange fluctuation loss (including amount capitalized to fixed assets in earlier years as per para D13AA of Ind AS 101) and charges paid on prepayment of borrowings in respect of these WTGs and the net surplus of Rs. 989.45 Lakh is recognized as an exceptional item during the previous year.

During the Previous year, pursuant to the aforesaid BTA, the Company has completed the process of transfer of projects comprising of 121 WTGs to the purchaser and the BTAs pertaining to the projects relating to the remaining 4 WTGs lapsed. Accordingly, these 4 WTGs are reclassified as PPE (being used as PPE by the Company) at their fair value being lower than the carrying amount before the asset was classified as held for sale, adjusted for depreciation and revaluation that would have been recognized had the asset not been classified as held for sale.



INOX RENEWABLES LIMITED
CIN: U40100GJ2010PLC062869

Notes to the financial statements for the year ended 31 March 2019

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 1st May 2017, were agreed to belong to the purchaser. The amount payable of Rs. 8918.23 Lakh towards such net economic benefits is charged in the Statement of Profit and Loss and included in Note 28 in Financial Year 2017-18. 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 Previous year of Rs. 2,265.19 Lakh is included in other interest in Note no. 23 in Financial Year 2017-18.

42 : Unbilled Revenue

The Company has recognised revenue of Rs. 386.45 lakh for the year ended March 31, 2019 on provisional basis (Unbilled Revenue) in respect of Wind turbines of 4 MW capacity located in the State of Maharashtra, as Power Purchase Agreement is currently in favour of a Third Party and its transfer in the name of Company is pending due to Litigation. Total amount receivable in other financial assets on account of such Unbilled Revenue is Rs. 1067.18 Lakh.

43 : Reclassification and changes in presentation

Figures for the preceding year have been reclassified as under:

a) In the preceding year, the amount of Rs. 123.44 Lakh payable in respect of trade payable to related parties was included under 'Other Financial Liabilities'. This amount is reclassified as 'Trade payable' under 'Current financial liabilities'.

44 : 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.

Two customers contributed more than 10% of the Company's total revenue amounting to Rs. 1,805.02 Lakh (31 March 2018: three customers amounting to Rs. 12,615.92 Lakh).

45 : Revenue from contracts with customers as per Ind As 115

(A) Disaggregated revenue information

In the following table, revenue from contracts with customers is disaggregated by primary major products and service lines. Since the Company has only one reportable business segment, no reconciliation of the disaggregated revenue is required:

Reportable segment/ Generation of wind energy

(Rs. in Lakh)	
Particulars	2018-2019
Sale of wind energy	1,805.02
Income from green benefit incentive	31.13
Income from sale of renewable energy certificate	103.71
Sharing of common infrastructure	318.03
Total	2,257.89



INOX RENEWABLES LIMITED
CIN: U40100GJ2010PLC062869

Notes to the financial statements for the year ended 31 March 2019

45 : Revenue from contracts with customers as per Ind As 115 - continued

(B) Contract balances

All the Trade Receivables and Contract Liabilities have been separately presented in notes to accounts.

46 : Events after the Reporting period

There are no events observed after the reported period which have an impact on the company operations.

47 : There have been no delays in transferring amounts required to be transferred to the Investor Education and Protection Fund.

As per our report of even date attached

For Dewan P.N. Chopra & Co.

Chartered Accountants

Firm Reg. No.: 000472N

Sandeep Dahiya


Partner

Membership No. 505371

Place : Noida

Date : 18 May 2019

For Inox Renewables Limited



Bhupesh Kumar Juneja

Director

DIN: 03526996

Place : Noida

Date : 18 May 2019



Devansh Jain

Director

DIN: 01819331