Independent Auditor's Report to the members of Inox Wind Infrastructure Services Limited

Report on the Standalone Ind AS Financial Statements

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

Management's Responsibility for the Standalone Ind AS Financial Statements

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

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

Auditor's Responsibility

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

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

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

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

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

Opinion

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure I a statement on the matters specified in paragraph 3 and 4 of the said Order.

2. As required by Section 143 (3) of the Act, we report that:

    (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
    (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
    (c) The Standalone Balance Sheet, the Standalone Statement of Profit and Loss including Other Comprehensive Income, the Standalone Statement of Cash Flows and the Standalone Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
    (d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act.
    (e) On the basis of the written representations received from the directors as on 31st March 2018, taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2018, from being appointed as a director in terms of Section 164 (2) of the Act.

Independent auditor's report to the members of Inox Wind Infrastructure Services Limited on the standalone Ind AS financial statements for the year ended 31st March 2018*(continued)*

(f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in Annexure II.

(g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i. The Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements – see Note 41 to the standalone Ind AS financial statements;

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

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

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

S S Agrawal
Partner
Membership No. 049051

Place: Pune
Date: 18 May, 2018

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

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

1. The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets. The fixed assets have been physically verified by the management at reasonable intervals and no material discrepancies have been noticed on such verification. The title deeds of all immovable properties are held in the name of the Company.

2. The inventories were physically verified by the management at reasonable intervals during the year and no material discrepancies were noticed on physical verification of inventories as compared to book records.

3. The Company has granted unsecured loans, to seventeen companies covered in the register maintained under section 189 of the Companies Act, 2013. The terms and conditions of the said loans are not, prima facie, prejudicial to the interest of the Company. The said parties are regular in repayment of principal and payment of interest, as stipulated, and there are no overdue amounts.

4. The Company has complied with the provisions of section 185 and section 186 of the Act in respect of loans given and investments made. The Company has not provided any guarantees or securities.

5. The Company has not accepted any deposits within the meaning of sections 73 to 76 of the Companies Act, 2013 and the Rules framed thereunder and hence the provisions of clause 3(v) of the Order are not applicable to the Company.

6. We have broadly reviewed the books of account maintained by the Company pursuant to the Rules made by the Central Government for maintenance of cost records under section 148(1) of the Companies Act, 2013 for activities of the Company to which the said Rules are made applicable, and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained.

7. The Company is regular is depositing undisputed statutory dues in respect of provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax and cess. The Company is not regular in depositing undisputed statutory dues in respect of goods & service tax with the appropriate authorities as under:

   The arrears for the period from September 2017 to March 2018 aggregating to Rs. 320.22 lakhs are outstanding as at the end of the year and are not paid till the date of this report.

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

8. The Company has not defaulted in repayment of loans and borrowings from banks and financial institution or by way of debentures and the Company did not have any borrowings from Government.

9. The Company has applied the moneys raised by way of term loans for the purposes for which the moneys were raised. The Company did not raise moneys by way of initial public offer or further public offer (including debt instruments).

10. No fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.

11. The Company has complied with the provisions of section 197 of the Companies Act, 2013 regarding payment of managerial remuneration.

12. The Company is not a Nidhi Company and hence the provisions of clause 3(xii) of the Order are not applicable to the Company.

13. All transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 and the details have been disclosed in the financial statements etc., as required by the applicable accounting standards.

14. During the year, the Company has made not made any preferential allotment or private placement of shares or fully or partly convertible debentures.

15. The Company has not entered into any non-cash transactions with directors or persons connected with them and hence the provisions of clause 3(xv) of the Order are not applicable to the Company.

Annexure I to Independent auditor's report to the members of Inox Wind Infrastructure Services Limited on the standalone Ind AS financial statements for the year ended 31st March 2018 ***(continued)***

16. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 and hence the provisions of clause 3(xvi) of the Order are not applicable to the Company.

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

S S Agrawal
Partner
Membership No. 049051

Place: Pune
Date: 18 May, 2018

Annexure II to Independent auditor's report to the members of Inox Wind Infrastructure Services Limited on the standalone Ind AS financial statements for the year ended 31st March 2018 – referred to in paragraph 2(f) under the heading "Report on Other Legal and Regulatory Requirements" of our report of even date.

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

We have audited the internal financial controls with reference to financial statements of **Inox Wind Infrastructure Services Limited** ("the Company") as of 31st March 2018 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to financial statements and their operating effectiveness.

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

Annexure II to Independent auditor's report to the members of Inox Wind Infrastructure Services Limited on the standalone Ind AS financial statements for the year ended 31st March 2018 *(continued)*

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

Meaning of Internal Financial Controls with reference to Financial Statements

A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with 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 standalone financial statements.

Inherent Limitations of Internal Financial Controls with reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

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

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

S S Agrawal
Partner
Membership No. 049051

Place: Pune
Date: 18 May, 2018

INOX WIND INFRASTRUCTURE SERVICES LIMITED
Standalone Balance Sheet as at 31 March 2018

(Rs. in Lakhs)

Particulars	Notes	As at 31 March 2018	As at 31 March 2017
ASSETS			
1 **Non-current assets**			
(a) Property, plant and equipment	5	49,696.09	26,827.04
(b) Capital work-in-progress		1,046.32	9,378.53
(c) Intangible assets	6	16.21	23.98
(d) Financial assets			
(i) Investments	7		
-In subsidiaries		1,030.67	1,285.97
-In associates		6.00	-
-Others		-	0.28
(ii) Loans	8	1,266.50	1,414.90
(iii) Other non-current financial assets	9	25,226.59	16,896.61
(e) Deferred tax assets (net)	10	71.89	-
(f) Income tax assets (net)	11	1,654.37	371.69
(g) Other non-current assets	12	1,009.66	595.66
Total Non - current assets		**81,024.30**	**56,794.66**
2 **Current assets**			
(a) Inventories	13	24,816.12	32,119.84
(b) Financial assets			
(i) Trade receivables	14	24,559.30	39,369.78
(ii) Cash and cash equivalents	15	178.33	3,815.45
(iii) Bank balances other than (ii) above	16	2,168.39	1,326.64
(iv) Loans	8	6,270.84	4,945.21
(v) Other current financial assets	9	4,028.92	788.92
(c) Other current assets	12	9,383.24	6,065.44
Total Current assets		**71,405.14**	**88,431.28**
Total Assets		**152,429.44**	**145,225.94**

INOX WIND INFRASTRUCTURE SERVICES LIMITED
Standalone Balance Sheet as at 31 March 2018

(Rs. in Lakhs)

Particulars	Notes	As at 31 March 2018	As at 31 March 2017
EQUITY AND LIABILITIES			
EQUITY			
(a) Equity share capital	17	5.00	5.00
(b) Equity component of compound financial instrument	19	3,290.28	3,290.28
(c) Other equity	18	(3,869.23)	1,867.00
Total equity		**(573.95)**	**5,162.28**
LIABILITIES			
1 **Non-current liabilities**			
(a) Financial liabilities			
(i) Borrowings	20	54,856.06	52,636.84
(ii) Other financial liabilities	21	2,651.24	3,078.08
(b) Provisions	22	232.90	241.98
(c) Deferred tax liabilities (net)	10	-	2,275.04
(d) Other non-current liabilities	23	6,157.05	5,670.20
Total Non-current liabilities		**63,897.25**	**63,902.14**
2 **Current liabilities**			
(a) Financial liabilities			
(i) Borrowings	24	15,876.14	16,741.00
(ii) Trade payables	25	34,608.09	38,738.73
(iii) Other financial liabilities	21	32,456.58	17,163.88
(b) Provisions	22	75.57	72.47
(c) Other current liabilities	23	6,089.76	3,445.44
Total current liabilities		**89,106.14**	**76,161.52**
Total Equity and Liabilities		**152,429.44**	**145,225.94**

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

As per our report of even date attached

For Patankar & Associates
Chartered Accountants

For and on behalf of the Board of Directors

S S Agrawal
Partner

Manoj Dixit
Director

Vineet Davis
Director

Place : Pune
Date : 18 May 2018

Place : Noida
Date : 18 May 2018

INOX WIND INFRASTRUCTURE SERVICES LIMITED
Standalone Statement of Profit and Loss for the year ended 31 March 2018

(Rs. in Lakhs)

Particulars	Notes	2017-2018	2016-2017
Revenue			
Revenue from operations	26	36,672.38	69,694.43
Other income	27	743.26	694.81
Total Revenue (I)		**37,415.64**	**70,389.24**
Expenses			
EPC, O&M and Common infrastructure facility expense	28	23,684.08	48,426.54
Changes in inventories of work-in-progress	29	5,662.30	1,005.78
Employee benefits expense	30	3,561.93	3,816.05
Finance costs	31	6,499.23	3,831.61
Depreciation and amortisation expense	32	1,660.79	927.15
Other expenses	33	3,415.69	2,842.22
Total Expenses (II)		**44,484.02**	**60,849.35**
Profit/(Loss) before tax (I-II=III)		**(7,068.38)**	**9,539.89**
Add: Exceptional items (IV)	39	(1,097.32)	(2,077.39)
Profit/(Loss) before tax (III - IV = V)		**(8,165.70)**	**7,462.50**
Tax expense (VI):	34		
Current tax		-	2,320.05
MAT credit entitlement		-	(2,320.05)
Deferred tax		(2,365.62)	3,349.95
Taxation pertaining to earlier years		(10.15)	-
		(2,375.77)	3,349.95
Profit/(Loss) for the year (V-VI=VII)		**(5,789.93)**	**4,112.55**
Other Comprehensive income			
A (i) Items that will not be reclassified to profit or loss			
Remeasurements of the defined benefit plans		82.55	1.65
Tax on above		(28.85)	(0.57)
Total Other Comprehensive income (VIII)		**53.70**	**1.08**
Total Comprehensive income for the year (VII + VIII)		**(5,736.23)**	**4,113.63**
Basic earnings/(loss) per equity share of Rs. 10 each (in Rs.)	35	(11,579.86)	8,225.10
Diluted earnings/(loss) per equity share of Rs. 10 each (in Rs.)	35	(11,579.86)	1.48

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

As per our report of even date attached
For Patankar & Associates
Chartered Accountants

For and on behalf of the Board of Directors

S S Agrawal
Partner

Place: Pune
Date : 18 May 2018

Manoj Dixit
Director

Vineet Davis
Director

Place : Noida
Date : 18 May 2018

INOX WIND INFRASTRUCTURE SERVICES LIMITED

Standalone Statement of cash flows for the year ended as 31 March 2018

(Rs. in Lakhs)

Particulars	2017-2018	2016-2017
Profit/(loss) for the year	(5,789.93)	4,112.55
Adjustments for:		
Tax expense	(2,375.77)	3,349.95
Finance costs	6,499.23	3,831.61
Interest income	(708.30)	(580.02)
Allowance for expected credit losses	2.89	59.36
Bad debts, remissions and liquidated damages	924.81	1,805.34
Depreciation and amortisation expense	1,660.79	927.15
Net (gains)/loss on derivative portion of compound financial instrument	1,573.16	(76.45)
Impairment in value of investment in subsidiaries	268.30	1,787.79
Impairment in value of inter-corporate deposit to subsidiaries	829.02	289.60
Loss on sale / disposal of property, plant and equipment	-	17.48
Operating profit/(loss) before working capital changes	**2,884.20**	**15,524.36**
Movements in working capital:		
(Increase)/Decrease in Trade receivables	13,882.78	(17,431.40)
(Increase)/Decrease in Inventories	7,303.72	(378.77)
(Increase)/Decrease in Loans	148.40	(265.10)
(Increase)/Decrease in Other financial assets	(11,437.75)	(7,706.79)
(Increase)/Decrease in Other assets	(3,520.22)	(2,875.31)
Increase/(Decrease) in Trade payables	(4,130.64)	11,929.62
Increase/(Decrease) in Other financial liabilities	255.97	(43.36)
Increase/(Decrease) in Other liabilities	3,131.17	2,467.21
Increase/(Decrease) in Provisions	76.57	122.81
Cash generated from operations	**8,594.20**	**1,343.27**
Income taxes paid	(1,333.53)	(1,399.44)
Net cash generated from/(used in) operating activities	**7,260.67**	**(56.17)**
Cash flows from investing activities		
Purchase of property, plant and equipment (including changes in capital work-in-progress, capital creditors and capital advance)	(16,658.83)	(16,925.04)
Investment in subsidiaries and associates	(19.00)	-
Movement in consideration payable for business combination	25.00	(729.46)
Interest received	165.01	102.34
Inter corporate deposits given	(3,456.29)	(5,359.19)
Inter corporate deposits received back	1,864.00	2,160.14
Movement in Bank fixed deposits	(993.04)	(1,120.74)
Net cash (used in) investing activities	**(19,073.15)**	**(21,871.95)**

INOX WIND INFRASTRUCTURE SERVICES LIMITED

Standalone Statement of cash flows for the year ended as 31 March 2018

(Rs. in Lakhs)

Particulars	2017-2018	2016-2017
Cash flows from financing activities		
Proceeds from non-current borrowings	39,861.46	19,500.00
Repayment of non-current borrowings	(24,500.00)	(94.00)
Proceeds from/(repayment of) short term loans (net)	(864.86)	8,344.08
Finance costs	(6,321.24)	(2,731.63)
Net cash generated from financing activities	**8,175.36**	**25,018.45**
Net increase in cash and cash equivalents	**(3,637.12)**	**3,090.33**
Cash and cash equivalents at the beginning of the year	3,815.45	725.12
Cash and cash equivalents at the end of the year	**178.33**	**3,815.45**

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

(Rs. in Lakhs)

Particulars	Current borrowings	Non Current borrowings
Opening Balance	18,117.29	62,583.09
Cash flows	(864.86)	15,361.46
Interest expense	1,397.70	4,804.31
Interest paid	(2,504.17)	(3,568.13)
Unwinding cost of compounding financial instrument	-	1,997.17
Closing Balance	**16,145.96**	**81,177.90**

Notes:

1 The above standalone statement of cash flows has been prepared and presented under the indirect method.

2 Components of cash and cash equivalents are as per Note 15

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

As per our report of even date attached

For Patankar & Associates

Chartered Accountants

For and on behalf of the Board of Directors

S S Agrawal
Partner

Manoj Dixit
Director

Vineet Davis
Director

Place: Pune
Date : 18 May 2018

Place : Noida
Date : 18 May 2018

INOX WIND INFRASTRUCTURE SERVICES LIMITED
Statement of changes in equity for the year ended 31 March 2018

A. Equity share capital

(Rs. in Lakhs)

Particulars	
Balance as at 1 April 2016	**5.00**
Changes in equity share capital during the year	-
Balance as at 31 March 2017	**5.00**
Changes in equity share capital during the year	-
Balance as at 31 March 2018	**5.00**

B. Other equity

(Rs. in Lakhs)

Particulars	Reserve and Surplus		
	Debenture Redemption Reserve	Retained earnings	Total
Balance as at 1 April 2016	-	(2,246.63)	**(2,246.63)**
Additions during the year:			
Profit for the year	-	4,112.55	4,112.55
Other comprehensive income for the year, net of income tax (*)	-	1.08	1.08
Total comprehensive income for the year		**4,113.63**	**4,113.63**
Transfer from retained earnings	1,800.00	(1,800.00)	-
Balance as at 31 March 2017	**1,800.00**	**67.00**	**1,867.00**
Additions during the year:			
Loss for the year		(5,789.93)	(5,789.93)
Other comprehensive income for the year, net of income tax (*)		53.70	53.70
Total comprehensive income for the year	**-**	**(5,736.23)**	**(5,736.23)**
Balance as at 31 March 2018	**1,800.00**	**(5,669.23)**	**(3,869.23)**

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

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

As per our report of even date attached

For Patankar & Associates
Chartered Accountants

S S Agrawal
Partner
Place : Pune
Date : 18 May 2018

For and on behalf of the Board of Directors

Manoj Dixit
Director
Place : Noida
Date : 18 May 2018

Vineet Davis
Director

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

1. Company information

Inox Wind Infrastructure services Limited ("the Company") is a public limited company incorporated in India. The Company is engaged in the business of Erection, Procurement and Commissioning ("EPC"), Operations and Maintenance ("O&M"), Common Infrastructure Facilities services and Development of wind farm services for WTGs. The Company is a subsidiary of Inox Wind Limited which is a subsidiary of Gujarat Fluorochemicals Limited and its ultimate holding company is Inox Leasing and Finance Limited. The area of operations of the Company is within India.

The Company's registered office is located at Survey No. 1837 & 1834 ABS Tower, 2nd Floor, Old Padra Road, Vadodara- 390007, Gujarat.

2. Statement of compliance and basis of preparation and presentation

2.1 Statement of Compliance

These financial statements are the separate financial statements of the Company (also called standalone financial statements) and 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, except for leasing transactions that are within the scope of Ind AS 17, and measurements that have some similarities to fair value but are not fair value, such as net realizable value in Ind AS 2 or value in use in Ind AS 36.

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

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

2.3 Basis of Preparation and Presentation

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

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

These 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.

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 and 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 2018.

2.4 Particulars of investments in subsidiaries and associates as at 31 March 2018 are as under:

Name of the investee	Principal place of business and country of incorporation	Proportion of the ownership interest and voting rights
a) Subsidiaries		
Marut Shakti Energy India Limited	India	100%
Sarayu Wind Power (Tallimadugula) Private Limited	India	100%
Satviki Energy Private Limited	India	100%
Vinirrmaa Energy Generation Private Limited	India	100%
Sarayu Wind Power (Kondapuram) Private Limited	India	100%
RBRK Investments Limited	India	100%
Wind One Renergy Private Limited	India	100%
Wind Three Renergy Private Limited	India	100%
Flutter Wind Energy Private Limited	India	100%
Flurry Wind Energy Private Limited	India	100%
Tempest Wind Energy Private Limited	India	100%
Vuelta Wind Energy Private Limited	India	100%
Aliento Wind energy Private Limited	India	100%

Vasuprada Renewables Private Limited	India	100%
Suswind Power Private Limited	India	100%
Ripudaman Urja Private Limited	India	100%
Vibhav Energy Private Limited	India	100%
Vigodi Wind Energy Private Limited	India	100%
Haroda Wind Energy Private Limited	India	100%
b) Associates		
Wind Three Renergy Private Limited	India	100%
Wind Four Renergy Private Limited	India	100%
Wind Five Renergy Private Limited	India	100%
Nani Virani Wind Energy Private Limited	India	100%
Khatiyu Wind Energy Private Limited	India	100%
Ravapar Wind Energy Private Limited	India	100%

See Note 7 for subsidiaries incorporated during the year and subsequently accounted as 'associates' on cessation of control.

3. Significant Accounting Polices

3.1 Business combinations

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Company, liabilities incurred by the Company to the former owners of the acquiree and the equity interests issued by the Company in exchange of control of the acquiree. Acquisition-related costs are generally recognised in profit or loss as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value, except that:

- deferred tax assets or liabilities, and assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with Ind AS 12 Income Taxes and Ind AS 19 Employee Benefits respectively;
- assets (or disposal Group) that are classified as held for sale in accordance with Ind AS 105 Non-current Assets Held for Sale and Discontinued Operations are measured in accordance with that Standard.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed.

In case of a bargain purchase, before recognising a gain in respect thereof, the Company determines whether there exists clear evidence of the underlying reasons for classifying the business combination as a bargain purchase. Thereafter, the Company reassesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and recognises any additional assets or liabilities that are identified in that reassessment. The Company then reviews the procedures used to measure the amounts that Ind AS requires for the purposes of calculating the bargain purchase. If the gain remains after this reassessment and review, the Company recognises it in other comprehensive income and accumulates the same in equity as capital reserve. This gain is attributed to the acquirer. If there does not exist clear evidence of the underlying reasons for classifying the business combination as a bargain purchase, the Company recognises the gain, after reassessing and reviewing (as described above), directly in equity as capital reserve.

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation may be initially measured either at fair value or at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets. The choice of measurement basis is made on a transaction-by-transaction basis. Other types of non-controlling interests are measured at fair value or, when applicable, on the basis specified in another Ind AS.

When the consideration transferred by the Company in a business combination includes assets or liabilities resulting from a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value and included as part of the consideration transferred in a business combination. Changes in the fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with corresponding adjustments against goodwill or capital reserve, as the case may be. Measurement period adjustments are adjustments that arise from additional information obtained during the 'measurement period' (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

The subsequent accounting for changes in the fair value of the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Contingent consideration that is classified as an asset or a liability is remeasured at fair value at subsequent reporting dates with the corresponding gain or loss being recognised in profit or loss.

When a business combination is achieved in stages, the Company's previously held equity interest in the acquiree is remeasured to its acquisition-date fair value and the resulting gain or loss, if any, is recognised in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss where such treatment would be appropriate if that interest were disposed of.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Company reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (see above), or additional assets or liabilities are recognised to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognised at that date.

3.2 Goodwill

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business (see Note 3.1 above) less accumulated impairment losses, if any.

For the purposes of impairment testing, goodwill is allocated to each of the Company's cash-generating units (or groups of cash-generating units) that is expected to benefit from the synergies of the combination.

A cash-generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised directly in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

On disposal of the relevant cash-generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

3.3 Revenue recognition

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

3.3.1 Rendering of services

Revenue from services rendered is recognised in profit or loss in proportion to the stage of completion of transaction at the reporting date and when the costs incurred for the transactions and the costs to complete the transaction can be measured reliably, as under:

Revenue from EPC is recognised on the basis of stage of completion by reference to surveys of work performed. Revenue from operations and maintenance and common infrastructure facilities contracts is recognised over the period of the contract, on a straight-line basis. Revenue from wind farm development is recognised when the wind farm site is developed and transferred to the customers in terms of the respective contracts.

3.3.2 Other income

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

3.4 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.

3.4.1 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.

3.5 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.

3.6 Employee benefits

3.6.1 Retirement benefit costs

Recognition and measurement of defined contribution plans:

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

Recognition and measurement of defined benefit plans:

For defined benefit plan, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each 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 to the net defined benefit plan at the start of the reporting period, taking account of any change in the net defined benefit plan during the year as a result of contributions and benefit payments. Defined benefit costs are categorised as follows:

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

3.6.2 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, bonus etc. 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.

3.7 Taxation

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

3.7.1 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.

3.7.2 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.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries and associates, except where the Company is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments are only recognised to the extent that it is probable that there will be sufficient taxable profits against which the benefits of the temporary differences can be utilised and they are expected to reverse in the foreseeable future.

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.

3.7.3 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.

3.8 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 capitalised.

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

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

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

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

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

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

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

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

3.9 Intangible assets

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortization is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortization method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

Intangible assets acquired in a business combination and recognised separately from goodwill are initially recognised at their fair value at the acquisition date (which is regarded as their cost). Subsequent to initial recognition, intangible assets acquired in a business combination are reported at cost less accumulated amortisation and impairment losses, on the same basis as intangible assets as above.

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

Estimated useful lives of intangible assets

Estimated useful lives of the intangible assets are as follows:

- Software 6 years

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

3.10 Impairment of tangible and intangible assets other than goodwill

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets (other than goodwill) 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 group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

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

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

When an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, to the extent 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.

3.11 Inventories

Inventories are valued at lower of the cost and net realisable value. Cost is determined using weighted average cost basis.

Cost of inventories comprises all costs of purchase, duties and taxes (other than those subsequently recoverable from tax authorities) and all other costs incurred in bringing the inventory to their present location and condition.

Cost of work-in-progress includes the cost of materials, conversion costs, an appropriate share of fixed and variable overheads and other costs incurred in bringing the inventories to their present location and condition. Net realisable value represents the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

3.12 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.

Contingent liabilities acquired in a business combination are initially measured at fair value at the acquisition date. At the end of subsequent period, such contingent liabilities are measured at the higher of the amounts that would be recognised in accordance with Ind AS 37 Provisions, Contingent Liabilities and Contingent Assets and the amount initially recognised less cumulative amortisation recognised in accordance with Ind AS 18 Revenue, if any.

3.13 Financial instruments

Financial assets and financial liabilities are recognised when the Company member 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:

i. Financial assets measured at amortized cost:

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

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

This category applies to cash and bank balances, trade receivables, loans, certain investments 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. Dividend income on the investments in equity instruments are recognised as 'other income' 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 Company 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 the 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 company 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 entity are recognised at the proceeds received, net of direct issue costs.

Repurchase of the entity'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. Compound financial instruments:-

Compound financial instruments issued by the Company comprise of convertible debentures denominated in INR that can be converted to equity shares at the option of the holder. The debentures will be converted into equity shares at the fair value on the date of conversion.

The fair value of the liability component of a compound financial instrument is determined using a market interest rate of a similar liability that does not have an equity conversion option. This value is recorded as a liability on an amortised cost basis until extinguished on conversion or redemption of the debentures. The remainder of the proceeds is attributable to equity portion of the instrument net of derivatives if any. The equity component is recognised and included in shareholder’s equity (net of deferred tax) and is not subsequently re-measured. The derivative component is recognized at fair value and subsequently carried at fair value through profit or loss.

Interest related to the financial liability is recognized in profit or loss (unless it qualifies for inclusion in the cost of an asset). In case of conversion at maturity, the financial liability is reclassified to equity and no gain or loss is recognized.

iii. Financial Liabilities:-

a) Initial recognition and measurement :

Financial liabilities are recognised when a Company member becomes a party to the contractual provisions of the instrument. Financial liabilities are initially measured at the 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 other than derivative instrument.

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.

3.14 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, except where the results would be anti-dilutive.

3.15 Recent accounting pronouncements

a) On 28 March 2018, the Ministry of Corporate Affairs has notified Ind AS 115, 'Revenue from contracts with customers' which is applicable to the Company from 1 April 2018. The main principle of the new standard is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The effect on the financial statements is being evaluated by the Company.

b) On 28 March 2018, the Ministry of Corporate Affairs has issued the Companies (Indian Accounting Standards) Amendments Rules, 2018 containing Appendix B to Ind AS 21, foreign currency transactions and advance consideration which clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency. This amendment has no impact on the financial statements of the Company.

4 Critical accounting judgements and use of estimates

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

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.

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

a) Useful lives of Property, Plant & Equipment (PPE) & intangible assets:

The Company has adopted useful lives of PPE as described in Note 3.8 & 3.9 above. The Company reviews the estimated useful lives of PPE & intangible assets at the end of each reporting period.

b) Fair value measurements and valuation processes

The Company measures financial instruments at fair value in accordance with the accounting policies mentioned above.

For assets and liabilities that are recognized in the financial statements at fair value on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization at the end of each reporting period and discloses the same.

When the fair values of financials assets and financial liabilities recorded in the Balance Sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques, including the discounted cash flow model, which involve various judgements and assumptions. Where necessary, the Company engages third party qualified valuers to perform the valuation.

Information about the valuation techniques and inputs used in determining the fair values of various assets and liabilities are disclosed in Note 36.

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

- Estimation of current tax expense and payable, recognition of deferred tax assets, availability of future taxable profits against which tax losses carried forward can be used, possibility of utilizing available tax credits – see Note 34
- Measurement of defined benefit obligations and other long-term employee benefits: key actuarial assumptions – see Note 37
- Recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources – see Note 41
- Impairment of financial assets – see Note 36

INOX WIND INFRASTRUCTURE SERVICES LIMITED

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

5 : Property, plant and equipment

(Rs. in Lakhs)

Particulars	As at 31 March 2018	As at 31 March 2017
Carrying amount of :		
Freehold Land	675.22	675.22
Roads	1,421.97	802.31
Plant & equipment	47,380.96	25,192.03
Furniture and fixtures	175.73	92.16
Vehicles	2.22	1.83
Office equipments	39.99	63.49
Total	**49,696.09**	**26,827.04**

Note: Assets mortgaged/pledged as security for borrowings are as under:

(Rs. in Lakhs)

Carrying amounts of:	As at 31 March 2018	As at 31 March 2017
Freehold land	675.22	511.26
Buildings	1,421.97	183.05
Plant and equipment	47,380.96	15,155.10
Furniture and fixtures	175.73	74.62
Vehicles	2.22	1.83
Office equipment	39.99	54.18
Capital Work-in progress	-	3,163.18
Total	**49,696.09**	**19,143.22**

INOX WIND INFRASTRUCTURE SERVICES LIMITED
Notes to the standalone financial statements for the year ended 31 March 2018

5A : Property , plant and equipment

(Rs. in Lakhs)

Particulars	Land - Freehold	Roads	Plant and equipment	Furniture and Fixtures	Vehicles	Office Equipment	Total
Cost or deemed cost:							
Balance as at 1 April 2016	**367.22**	**484.67**	**16,150.52**	**71.60**	**1.57**	**89.68**	**17,165.26**
Additions	308.00	619.26	9,917.71	44.20	0.61	34.05	**10,923.83**
Borrowing cost capitalised	-	-	146.16	-	-	-	**146.16**
Disposals	-	-	(5.07)	(9.34)	-	(5.08)	**(19.49)**
Balance as at 31 March 2017	**675.22**	**1,103.93**	**26,209.32**	**106.46**	**2.18**	**118.65**	**28,215.76**
Additions	-	940.43	23,360.79	97.86	0.66	8.43	**24,408.17**
Borrowing cost capitalised	-	-	113.90	-	-	-	**113.90**
Balance as at 31 March 2018	**675.22**	**2,044.36**	**49,684.01**	**204.32**	**2.84**	**127.08**	**52,737.83**

Accumulated Depreciation:							
Balance as at 1 April 2016	-	186.21	256.72	6.07	0.13	22.25	**471.38**
Eliminated on disposal of asset	-	-	(0.32)	(0.85)	-	(0.85)	**(2.02)**
Depreciation for the year	-	115.41	760.89	9.08	0.22	33.76	**919.36**
Balance as at 31 March 2017	**-**	**301.62**	**1,017.29**	**14.30**	**0.35**	**55.16**	**1,388.72**
Depreciation for the year	-	320.77	1,285.76	14.29	0.27	31.93	**1,653.02**
Balance as at 31 March 2018	**-**	**622.39**	**2,303.05**	**28.59**	**0.62**	**87.09**	**3,041.74**

Net carrying amount	Land - Freehold	Roads	Plant and equipment	Furniture and Fixtures	Vehicles	Office Equipment	Total
As at 31 March 2017	**675.22**	**802.31**	**25,192.03**	**92.16**	**1.83**	**63.49**	**26,827.04**
As at 31 March 2018	**675.22**	**1,421.97**	**47,380.96**	**175.73**	**2.22**	**39.99**	**49,696.09**

INOX WIND INFRASTRUCTURE SERVICES LIMITED
Notes to the standalone financial statements for the year ended 31 March 2018

6 : Intangible assets

(Rs. in Lakhs)

Particulars	As at 31 March 2018	As at 31 March 2017
Carrying amounts of:		
Software	16.21	23.98

Details of Intangible Assets

Particulars	Software	Total
Cost or Deemed Cost		
Balance as at 1 April 2016	39.37	**39.37**
Additions	-	-
Balance as at 31 March 2017	**39.37**	**39.37**
Additions	-	-
Balance as at 31 March 2018	**39.37**	**39.37**
Accumulated amortisation		
Balance as at 1 April 2016	7.60	7.60
Amortisation expense for the year	7.79	7.79
Balance as at 31 March 2017	**15.39**	**15.39**
Amortisation expense for the year	7.77	7.77
Balance as at 31 March 2018	**23.16**	**23.16**

Net carrying amount	Software	Total
As at 31 March 2017	23.98	23.98
As at 31 March 2018	16.21	16.21

INOX WIND INFRASTRUCTURE SERVICES LIMITED

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

(Rs. in Lakhs)

Particulars	As at 31 March 2018	As at 31 March 2017	As at 31 March 2018	As at 31 March 2017
	Nos.	Nos.	Amount	Amount
7 : Investments				
7a. Investment in subsidiaries (at cost)				
Non-current				
-Investments in equity instruments (unquoted)				
- in fully paid-up equity shares of Rs. 10 each				
Marut Shakti Energy India Ltd.	611070	611070	191.01	191.01
Sarayu Wind Power (Tallimadugula) Pvt. Ltd.	10000	10000	283.19	283.19
Satviki Energy Pvt. Ltd.	835000	835000	77.00	77.00
Vinirrmaa Energy Generation Pvt. Ltd.	50000	50000	916.21	916.21
Sarayu Wind Power (Kondapuram) Pvt. Ltd.	10000	10000	940.67	940.67
RBRK Investments Ltd.	70000	70000	268.30	268.30
Wind One Renergy Pvt. Ltd.	10000	0	1.00	-
Wind Three Renergy Pvt. Ltd.	10000	0	1.00	-
Vasuprada Renewables Pvt. Ltd.	10000	0	1.00	
Suswind Power Pvt. Ltd.	10000	0	1.00	-
Ripudaman Urja Pvt. Ltd.	10000	0	1.00	-
Vibhav Energy Pvt. Ltd.	10000	0	1.00	-
Haroda Wind Energy Pvt. Ltd.	10000	0	1.00	-
Vigodi Wind Energy Pvt. Ltd.	10000	0	1.00	-
Aliento Wind Energy Pvt. Ltd.	10000	0	1.00	-
Tempest Wind Energy Pvt. Ltd.	10000	0	1.00	-
Flurry Wind Energy Pvt. Ltd.	10000	0	1.00	-
Vuelta Wind Energy Pvt. Ltd.	10000	0	1.00	-
Flutter Wind Energy Pvt. Ltd.	10000	0	1.00	-
			2,689.38	2,676.38
Less: Provision for dimunition in value of investment			(1,658.71)	(1,390.41)
			1,030.67	1,285.97
7b. Investment in associates (trade investment)				
Wind Two Renergy Pvt. Ltd.	10000	0	1.00	-
Wind Four Renergy Pvt. Ltd.	10000	0	1.00	-
Wind Five Renergy Pvt. Ltd.	10000	0	1.00	-
Nani Virani Wind Energy Pvt. Ltd.	10000	0	1.00	-
Ravapar Wind Energy Pvt. Ltd.	10000	0	1.00	-
Khatiyu Wind Energy Pvt. Ltd.	10000	0	1.00	-
			6.00	**-**

During the year, the Company has incorporated above wholly-owned subsidiaries for the purpose of carrying out business of generation and sale of wind energy. Thereafter, the Company has entered into various binding agreements (including call & put option agreement and voting rights agreement) with a party to, inter-alia, transfer the shares of such companies at a future date and defining rights of the respective parties. In view of the provisions of these binding agreements, it is assessed that the Company has ceased to exercise control over such companies in terms of Ind AS 110: Consolidated Financial Statements. Therefore, the Company has accounted for investment in such companies as investment in 'associate' from the date of cessation of control.

(Rs. in Lakhs)

Particulars	As at 31 March 2018	As at 31 March 2017
7c. Other investment		
-Investment in Government securities (unquoted, fully paid up) at amortised cost		
National Saving Certificates	-	0.28
Total Non-current investments	**1,036.67**	**1,286.25**
Aggregate carrying value of unquoted investments	1,036.67	1,286.25
Aggregate amount of dimunition in value of investments	1,658.71	1,390.41
Category-wise other investments – as per Ind AS 109 classification		
Carried at cost	1,030.67	1,285.97
Carried at amortised cost	-	0.28
	1,030.67	1,286.25

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

Particulars	As at 31 March 2018	As at 31 March 2017
		(Rs. in Lakhs)
8 : Loans		
(Unsecured, considered good, unless otherwise stated)		
Non-current		
Security deposits	1,266.50	1,414.90
Total Non-current loans	**1,266.50**	**1,414.90**
Current		
Loans to related parties (See Note 38)		
-Inter-corporate deposits to related parties		
Considered good	6,270.84	4,945.21
Considered doubtful	1,996.60	1,167.58
	8,267.44	6,112.79
Less: Provision for doubtful inter-corporate deposit	(1,996.60)	(1,167.58)
Total	**6,270.84**	**4,945.21**
9 : Other financial assets		
Non-current		
Non-current bank balances (from Note 16)	257.38	125.15
Unbilled revenue	24,887.46	16,689.71
Others	81.75	81.75
Total	**25,226.59**	**16,896.61**
Current		
Unbilled revenue	4,028.92	622.00
Insurance claims	-	166.92
Total	**4,028.92**	**788.92**

Inox Wind Infrastructure Services Limited
Notes to the standalone financial statements for the year ended 31 March 2018

10. Deferred tax balances

Year ended 31 March 2018
Deferred tax (liabilities)/assets in relation to: **(Rs. in Lakhs)**

Particulars	Opening balance	Recognised in profit or loss	Recognised in other comprehensive income	Adjusted against current tax liability	Closing balance
Property, plant and equipment	(503.13)	502.20	-	-	(0.93)
Straight lining of O & M revenue	(5,978.16)	(4,107.13)	-	-	(10,085.29)
Allowance for expected credit losses	47.53	1.47	-	-	49.00
Defined benefit obligations	108.82	27.82	(28.85)	-	107.79
Business loss	3,409.24	5,333.41	-	-	8,742.65
Equity component of Compound financial instrument	(1,741.34)	-	-	-	(1,741.34)
Other deferred tax assets	61.95	686.04			747.99
Other deferred tax liabilities	-	(68.03)	-	-	(68.03)
	(4,595.09)	2,375.78	(28.85)	-	(2,248.16)
MAT credit entitlement	2,320.05	-	-	-	2,320.05
Total	**(2,275.04)**	**2,375.78**	**(28.85)**	**-**	**71.89**

Year ended 31 March 2017
Deferred tax (liabilities)/assets in relation to: **(Rs. in Lakhs)**

Particulars	Opening balance	Recognised in profit or loss	Recognised in other comprehensive income	Adjusted against current tax liability	Closing balance
Property, plant and equipment	222.16	(725.29)	-	-	(503.13)
Straight lining of O & M revenue	(3,148.85)	(2,829.31)	-	-	(5,978.16)
Allowance for expected credit losses	25.78	21.75	-	-	47.53
Defined benefit obligations	63.91	45.48	(0.57)	-	108.82
Business loss	3,188.38	220.86	-	-	3,409.24
Equity component of Compound financial instrument	(1,741.34)	-	-	-	(1,741.34)
Other deferred tax assets	145.39	(83.44)			61.95
	(1,244.57)	**(3,349.95)**	**(0.57)**	**-**	**(4,595.09)**
MAT credit entitlement	**-**	-	-	2,320.05	2,320.05
Total	**(1,244.57)**	**(3,349.95)**	**(0.57)**	**2,320.05**	**(2,275.04)**

(Rs. in Lakhs)

Particulars	As at 31 March 2018	As at 31 March 2017
11: Income tax assets (net)		
Non-current		
Income tax paid (net of provisions)	1,654.37	371.69
Total	**1,654.37**	**371.69**
12 : Other assets		
Non-current		
Capital advances	246.09	34.51
Balances with government authorities		
- Balances in service tax , VAT & GST accounts	763.57	561.15
Total	**1,009.66**	**595.66**
Current		
Advance to suppliers	7,602.54	5,547.17
Balances with government authorities		
- Balances in Service tax , VAT & GST accounts	1,039.24	332.25
Prepayments - others	741.46	186.02
Total	**9,383.24**	**6,065.44**
13: Inventories		
(at lower of cost and net realisable value)		
Construction materials	9,883.66	11,525.08
Project development, erection & commissioning work-in-progress	14,550.06	20,212.36
Common infrastructure facilities work-in-progress	382.40	382.40
Total	**24,816.12**	**32,119.84**

INOX WIND INFRASTRUCTURE SERVICES LIMITED

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

(Rs. in Lakhs)

Particulars	As at 31 March 2018	As at 31 March 2017
14 : Trade receivables		
(Unsecured)		
Current		
Considered good	24,559.30	39,369.78
Considered doubtful	140.22	137.33
	24,699.52	39,507.11
Less: Allowance for expected credit losses	(140.22)	(137.33)
Total	**24,559.30**	**39,369.78**
15: Cash and cash equivalents		
Balances with banks		
in Current accounts	171.28	3,809.90
in Cash credit accounts	5.70	1.32
Cash on hand	1.35	4.23
Total	**178.33**	**3,815.45**
16: Other bank balances		
Bank deposits with original maturity period of more than 3 months but less than 12 months*	1,868.31	1,064.89
Bank deposit with original maturity for more than 12 months*	557.46	386.90
	2,425.77	1,451.79
Less: Amount disclosed under Note 9 - 'Other financial assets-Non current'	257.38	125.15
Total	**2,168.39**	**1,326.64**
Notes:		
*Other bank balances include margin money deposits kept as security against bank guarantees as under:		
a) Bank deposits with original maturity for more than 3 months but less than 12 months	1,868.31	1,064.89
b) Bank deposits with original maturity for more than 12 months	557.46	386.90

(Rs. in Lakhs)

17: Equity share capital	As at 31 March 2018	As at 31 March 2017
Authorised capital		
50,000 (31 March 2017: 50,000) equity shares of Rs. 10 each	5.00	5.00
Issued, subscribed and paid up		
50,000 (31 March 2017: 50,000) equity shares of Rs. 10 each	5.00	5.00
	5.00	**5.00**

(a) Reconciliation of the number of shares outstanding at the beginning and at the end of the year	As at 31 March 2018		As at 31 March 2017	
	No. of shares	Amount (Rs. in lakhs)	No. of shares	Amount (Rs. in lakhs)
Equity share capital				
Shares outstanding at the beginning of the year	50,000	5.00	50,000	5.00
Shares outstanding at the end of the year	**50,000**	**5.00**	**50,000**	**5.00**

(b) Rights, preferences and restrictions attached to equity shares

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

(c) Shares held by holding company	As at 31 March 2018		As at 31 March 2017	
	No. of shares	Amount (Rs. in lakhs)	No. of shares	Amount (Rs. in lakhs)
Inox Wind Limited(*)	50,000	5.00	50,000	5.00

(d) Details of shares held by each shareholder holding more than 5% shares:	As at 31 March 2018		As at 31 March 2017	
	No. of Shares	% of holding	No. of Shares	% of holding
Inox Wind Limited(*)	50,000	100%	50,000	100%

(*) Incuding shares held through nominee shareholders.

(e) For the terms of debentures convertible into equity shares and the earliest date of conversion, See Note 19

(Rs. in Lakhs)

	As at 31 March 2018	As at 31 March 2017
18: Other equity		
Debenture redemption reserve	1,800.00	1,800.00
Retained earnings	(5,669.23)	67.00
Total	**(3,869.23)**	**1,867.00**

18 (i) Debenture redemption reserve

Balance at beginning of the year	1,800.00	-
Transfer from retained earnings	-	1,800.00
Balance at the end of the year	**1,800.00**	**1,800.00**

The Company has issued redeemable non-convertible debentures. Accordingly, as required by the Companies (Share Capital and Debentures) Rules, 2014 (as amended), Debenture Redemption Reserve (DRR) is created out of profits available for payment of dividend. DRR is required to be created for an amount which is equal to 25% of the value of debentures issued and will be reclassified to retained earnings on redemption of debentures.

18 (ii) Retained earnings:

Balance at beginning of year	67.00	(2,246.63)
Profit/(loss) for the year	(5,789.93)	4,112.55
Other comprehensive income for the year, net of income tax	53.70	1.08
Transfer to Debenture redemption reserve	-	(1,800.00)
Balance at the end of the year	**(5,669.23)**	**67.00**

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

19: Terms of repayment and securities etc.

a) Debentures (secured):-
i) 3000 non convertible redeemable debentures of Rs. 10 Lakhs each fully paid up, are issued at par, and carry interest @ 9% p.a. payable semi annually. The maturity pattern of the debentures is as under:

	(Rs. in Lakhs)
Month	**Principal**
Sep-18	5,000.00
Mar-19	5,000.00
Sep-19	5,000.00
Mar-20	5,000.00
Sep-20	5,000.00
	25,000.00

The above debentures are secured by first ranking exclusive charge by way of hypothecation of fixed assets and certain immovable assets of the Company and unconditional and irrevocable guarantee by Gujarat Fluorochemicals Limited.

ii) 1950 non convertible redeemable debentures of Rs. 10 Lakhs each fully paid up, were issued at par, and carried interest @ 8.33% p.a. payable semi annually.

The above debentures were secured by sole and exclusive charge by way of hypothecation of fixed assets and certain immovable assets of the Company. The entire debentures are repaid during the year.

b) Rupee term loan from Axis Finance Ltd:-
Rupee term loan is secured by first charge of lien of FMP/other select debt mutual funds acceptable to Axis finance provided by Gujarat Flourochemicals Limited and carries interest @ 8.5% p.a. Principal repayment pattern of the loan is as under:

	(Rs. in Lakhs)
Month	**Principal**
Aug-18	5,000.00
Aug-20	5,056.16
	10,056.16

19: Terms of repayment and securities etc.

c) Debentures (unsecured) :-

The debentures of Rs. 1,000 each, fully paid up, are issued to the holding company, at par, and carry interest @ 4% p.a. The entire amount of debentures is convertible into fully paid up equity shares of Rs. 10 each at the option of the debenture holder, at the end of the term of the respective debentures. The equity shares will be issued at the price as per the valuation report to be obtained at each conversion date. If not converted, the debentures are redeemable at par. The maturity pattern of the debentures is as under:

Debenture Series	Date of allotment	Maturity Period	Number of Debentures	Amount (Rs. in Lakh)
Series E	17th Nov.2015	7 years	1,000,000	10,000.00
Series D	5th Nov.2015	6 years	1,000,000	10,000.00
Series C	3rd Nov.2015	5 years	1,000,000	10,000.00
Series B	29th Oct.2015	4 years	1,000,000	10,000.00
Series A	27th Oct.2015	3 years	1,000,000	10,000.00
Total			**5,000,000**	**50,000.00**

The optionally convertible debentures are presented in the balance sheet as follows:

(Rs. in Lakhs)

Particulars	**As at 31 March 2018**	**As at 31 March 2017**
Face value of debentures issued	50,000.00	50,000.00
Less: Equity component of optionally convertible debentures	5,031.62	5,031.62
	44,968.38	44,968.38
Less: Derivative portion	2,651.24	3,078.08
	42,317.14	41,890.30
Add: Effect of unwinding cost, gain/loss on derivative portion and interest paid	2,566.87	996.54
	44,884.01	42,886.84
Equity component of optionally convertible debentures	5,031.62	5,031.62

* The equity component of optionally convertible debentures has been presented on the face of the balance sheet net of deffered tax of Rs. 1741.34 Lakhs.

INOX WIND INFRASTRUCTURE SERVICES LIMITED
Notes to the standalone financial statements for the year ended 31 March 2018

Particulars	As at 31 March 2018	As at 31 March 2017
		(Rs. in Lakhs)
20: Non current borrowings		
Secured loans		
a) Debentures		
Redeemable non convertible debentures	26,084.09	19,696.25
Unsecured loans		
a) Debentures		
Optionally convertible debentures - Liability portion of compound financial instrument	44,884.01	42,886.84
b) Rupee term loans		
From Financial Institution	10,209.80	-
Total	**81,177.90**	**62,583.09**
Less: Disclosed under Note No. 21: Other current financial liabilities -		
- Current maturities of non-current borrowings	(24,889.41)	(9,750.00)
- Interest accrued	(1,432.43)	(196.25)
	(26,321.84)	(9,946.25)
Total	**54,856.06**	**52,636.84**

Note: for terms of repayment and securities etc. See Note 19

21: Other financial liabilities

Non-current		
Derivative financial liabilities	2,651.24	3,078.08
Total	**2,651.24**	**3,078.08**
Current		
Current maturities of non-current borrowings (See Note 20)	24,889.41	9,750.00
Interest accrued	1,702.25	1,572.54
Creditors for capital expenditure	3,957.70	4,215.09
Consideration payable for business combinations	1,248.00	1,223.00
Employee dues payables	659.22	403.25
Total	**32,456.58**	**17,163.88**

(Rs. in Lakhs)

Particulars	As at 31 March 2018	As at 31 March 2017
22: Provisions		
Non-current		
Provision for employee benefits (See Note 37)		
Gratuity	143.82	137.87
Compensated absences	89.08	104.11
Total	**232.90**	**241.98**
Current		
Provision for employee benefits (See Note 37)		
Gratuity	7.16	3.18
Compensated absences	68.41	69.29
Total	**75.57**	**72.47**
23: Other Liabilities		
Non-current		
Income received in advance	6,157.05	5,670.20
Total	**6,157.05**	**5,670.20**
Current		
Advances received from customers	4,051.30	98.45
Income received in advance	1,093.80	1,107.15
Statutory dues and taxes payable	944.66	2,239.84
Total	**6,089.76**	**3,445.44**

(Rs. in Lakhs)

Particulars	As at 31 March 2018	As at 31 March 2017
24: Current borrowings		
Unsecured borrowings		
From banks		
- Working capital demand loans*	-	1,510.48
From related parties		
- Inter-corporate deposits from holding company(**)	16,145.96	16,606.81
	16,145.96	18,117.29
Less: Disclosed under Note No. 21: Other current financial liabilities -		
- Interest accrued	(269.82)	(1,376.29)
	(269.82)	(1,376.29)
Total	**15,876.14**	**16,741.00**

Terms of repayment

* Working capital demand loans from bank is unsecured, taken for 181 days and carries interest @ 8.50% p.a.

**Inter-corporate deposit from holding company is unsecured, repayable on demand and carries interest @ 12.00% p.a.

25: Trade payables

Particulars	As at 31 March 2018	As at 31 March 2017
- Dues to micro and small enterprises	69.26	110.59
- Dues to others	34,538.83	38,628.14
Total	**34,608.09**	**38,738.73**

The Particulars of dues to Micro, Small and Medium Enterprises under Micro, Small and Medium Enterprises Development Act, 2006 **(MSMED Act):**

Particulars	2017-18	2016-17
Principal amount due to suppliers under MSMED Act at the year end	69.26	110.59
Interest accrued and due to suppliers under MSMED Act above amount, unpaid at the year end	11.04	17.93
Payment made to suppliers(other than interest) beyond the appointed date during the year end	430.87	403.65
Interest paid to supplier under section 16 of MSMED Act during the year	-	-
Interest due and payable to suppliers under MSMED Act for payments already made	9.13	39.68
Interest accrued and not paid to suppliers under MSMED Act up to the year end	77.77	57.61

Note: The above information has been disclosed in respect of parties which have been identified on the basis of the information available with the Company.

INOX WIND INFRASTRUCTURE SERVICES LIMITED
Notes to the standalone financial statements for the year ended 31 March 2018

(Rs. in Lakhs)

Particulars	2017-2018	2016-2017
26: Revenue from Operations		
Sale of services	32,838.81	69,638.72
Other operating revenue	3,833.57	55.71
	36,672.38	**69,694.43**
27: Other Income		
a) Interest income		
Interest income calculated using the effective interest method:		
On fixed deposits with banks	83.32	49.26
On Inter-corporate deposits	624.98	530.74
On long term investment	-	0.02
	708.30	**580.02**
b) Other gains		
Net gains on derivative portion of compound financial instrument	-	76.45
c) Other non operating income		
Insurance claims	34.96	38.34
Total	**743.26**	**694.81**

INOX WIND INFRASTRUCTURE SERVICES LIMITED
Notes to the standalone financial statements for the year ended 31 March 2018

(Rs. in Lakhs)

Particulars	2017-2018	2016-2017
28: EPC, O&M and Common infrastructure facility expenses		
Construction material consumed	544.80	15,239.20
Cost of booster packages	3,642.86	-
Equipments & machinery hire charges	2,678.51	9,655.58
Subcontractor cost	6,179.96	15,055.21
Cost of lands	1,965.41	1,253.19
O&M repairs	3,300.93	1,431.52
Legal & professional fees & expenses	429.90	912.03
Stores and spares consumed	364.15	224.51
Rates & taxes and regulatory fees	129.46	237.31
Rent	346.08	307.02
Labour charges	131.98	55.66
Insurance	416.63	717.08
Security charges	1,581.32	1,286.27
Travelling & conveyance	1,878.50	1,806.49
Miscellaneous expenses	93.59	245.47
Total	**23,684.08**	**48,426.54**
29: Changes in inventories of work in progress		
Work-in-progress at the beginning of the year		
Project Development, erection & commissioning work	20,212.36	21,218.14
Common infrastructure facilities	382.40	382.40
	20,594.76	21,600.54
Work-in-progress at the end of the year		
Project Development, erection & commissioning work	14,550.06	20,212.36
Common infrastructure facilities	382.40	382.40
	14,932.46	20,594.76
(Increase)/Decrease in work-in-progress	**5,662.30**	**1,005.78**
30: Employee benefits expense		
Salaries and wages	2,861.41	3,185.73
Contribution to provident and other funds	105.05	112.47
Gratuity	95.53	71.23
Staff welfare expenses	499.94	446.62
	3,561.93	**3,816.05**

(Rs. in Lakhs)

Particulars	2017-2018	2016-2017
31: Finance costs		
a) Interest on financial liabilities carried at amortised cost		
Interest on borrowings	4,202.01	1,954.84
b) Other interest cost		
Interest on income tax	51.11	100.57
c) Other borrowing costs	320.22	163.44
d) Unwinding cost of compound financial instrument	1,997.17	1,815.70
	6,570.51	4,034.55
Less: Interest capitalized	71.28	202.94
Total	**6,499.23**	**3,831.61**

The capitalisation rate of funds borrowed is 12% p.a. (previous year 12% p.a.)

Particulars	2017-2018	2016-2017
32: Depreciation and amortisation expense		
Depreciation of property, plant and equipment	1,653.02	919.36
Amortisation of intangible assets	7.77	7.79
Total	**1,660.79**	**927.15**
33: Other Expenses		
Rent	27.89	14.42
Legal and professional fees and expenses	166.92	20.02
Directors' sitting fees	6.40	7.20
Allowance for expected credit losses	2.89	59.36
Sales commission	10.47	520.82
Liquidated damages (net of recovery of Nil (previous year 1,500.00 Lakhs))	924.81	1,805.34
Loss on sale / disposal of property, plant and equipment	-	17.48
Net loss on derivative portion of compound financial instrument	1,573.16	-
Miscellaneous expenses	703.15	397.58
Total	**3,415.69**	**2,842.22**

INOX WIND INFRASTRUCTURE SERVICES LIMITED
Notes to the standalone financial statements for the year ended 31 March 2018

34. Income tax recognised in Statement of Profit and Loss

(Rs. in Lakhs)

Particulars	2017-18	2016-2017
Current tax		
In respect of the current year	-	2,320.05
Minimum Alternate Tax (MAT) credit	-	(2,320.05)
	-	**-**
Deferred tax		
In respect of the current year	(2,365.62)	3,349.95
Taxation pertaining to earlier years	(10.15)	-
	(2,375.77)	**3,349.95**
Total income tax expense recognised in the current year	**(2,375.77)**	**3,349.95**

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

Rs. in Lakhs

Particulars	2017-18	2016-2017
Profit before tax	(8,165.70)	7,462.50
Income tax expense calculated at 34.608% (2016-2017: 34.608%)	(2,825.99)	2,582.62
Effect of expenses that are not deductible in determining taxable profit	439.03	790.20
Effect on deferred tax balances due to the change in income tax rate from 34.608% to 34.944% (previoius year - from 33.063% to 34.608%)	21.34	(22.87)
Taxation pertaining to earlier years	(10.15)	-
Income tax expense recognised in statement of profit and loss	**(2,375.77)**	**3,349.95**

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

The increase in corporate tax rate applicable to the Company from 34.608% to 34.944% (on account of increase in cess) was substantially enacted before 31 March 2018 and will be effective from 1 April 2018. As a result, the deferred tax balances have been remeasured and the effect of the same is reflected in the above reconciliation.

INOX WIND INFRASTRUCTURE SERVICES LIMITED
Notes to the standalone financial statements for the year ended 31 March 2018

35. Earnings per share

Particulars	2017-2018	2016-2017
Basic earning/(loss) per share		
Profit/(loss) for the year (Rs. in Lakhs)	(5,789.93)	4,112.55
Weighted average number of equity shares used in calculation of basic and diluted EPS (Nos)	50,000	50,000
Nominal value of each share (in Rs.)	10.00	10.00
Basic earnings/(loss) per share (Rs.)	(11,579.86)	8,225.10
Diluted earning/(loss) per share		
Profit/(loss) for the year (Rs. in Lakhs)	(5,789.93)	4,112.55
Add: Expenses on debentures	1,997.17	1,739.25
Adjusted Profit/(loss) for diluted EPS	(3,792.76)	5,851.80
Weighted average number of equity shares- (Nos.)	434,832,609	395,873,307
Nominal value of each share (in Rs.)	10.00	10.00
Diluted earnings/(loss) per share (Rs.)	(11,579.86)	1.48

Note: The anti-dilutive effect for the year ended 31 March 2018 is ignored.

36. Financial Instruments

(i) Capital management

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

The capital structure of the Company consists of net debt (borrowings as detailed in notes 20 and 24 offset by cash and bank balances excluding bank deposites kept as lien) and total equity of the Company.

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

The Company's board of directors reviews the capital structure of the Company on an annual basis. As part of this review, the committee of board considers the cost of capital and the risks associated with each class of capital.

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

(Rs. in Lakhs)

Particulars	As at 31 March 2018	As at 31 March 2017
Total debt	97,323.86	80,700.38
Less: Cash and bank balances (excluding bank deposits kept as lien)	178.33	3,815.45
Net debt	**97,145.53**	**76,884.93**
Total Equity	(573.95)	5,162.28
Net debt to equity ratio	**NA**	**1489.36%**

36. Financial Instruments

(ii) Categories of financial instruments **(Rs. in Lakhs)**

	As at 31 March 2018	As at 31 March 2017
(a) Financial assets		
Measured at amortised cost		
(a) Cash and bank balances	2,604.10	5,267.24
(b) Trade receivables	24,559.30	39,369.78
(c) Loans	7,537.34	6,360.11
(d) Investments	-	0.28
(e) Other financial assets	28,998.13	17,560.38
Total	63,698.87	68,557.79
(b) Financial liabilities		
Measured at fair value through profit or loss (FVTPL)		
Other non current derivative financial liabilities	2,651.24	3,078.08
Measured at amortised cost		
(a) Borrowings	97,323.86	80,700.38
(b) Trade payables	34,608.09	38,738.73
(c) Other financial liabilities	5,864.92	5,841.34
	137,796.87	125,280.45
Total	140,448.11	128,358.53

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

(iii) Financial risk management

The Company's principal financial liablities comprise of borrowings from its holding company, trade and other payables. The main purpose of these financial liablities is to finance the Company's operations. The Company's principle financial assets includes trade and other receivables, cash and bank balances, derived directly from its operations. The Company is exposed to market risk, credit risk and liquidity risk.

(iv)Market Risk

Market risk is that the fair value of future cash flows of a financial instrument will fluctuate because of change in market price. The Company does not have any foreign currency exposure and hence is not subject to foreign currency risks. The entire borrowing of the Company is at a fixed rate. Hence the Company is not subject to any interest rate risks. Further, the Company does not have any investments other than strategic investments in subsidiaries and investment in NSC and hence is not subject to other price risks.

36. Financial Instruments

(v) Interest rate risk management

The Company is exposed to interest risk mainly on account of borrowing. All term loan and debentures are having fixed rate of interest. Cash credit borrowings are subject to variable rate of interest. Since, the Company has insignificant variable interest bearing borrowings, the exposure to the risk of changes in market interest rate is minimal.

(vi) Other price risks

The Company is exposed to equity price risks arising from equity investments, other than investments in subsidiaries and associates which are held for strategic rather than trading purposes. The Company does not actively trade these investments. Hence the Company's exposure to equity price risk is minimal.

(vii) 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 is providing O&M services and is having long term contracts 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, 2018 is Rs. 16,652.03 lakhs (as at 31 March, 2017 of Rs. 14,827.42 lakhs) are due from 7 major customers who are reputed parties. All trade receivables are reviewed and assessed for default on a quarterly basis.

The Company has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and adjusted for forward-looking information. The expected credit loss allowance is based on the ageing of the receivables and the rates as given in the provision matrix. The provision matrix at the end of the reporting period is as follows:

Ageing	**Expected credit losses (%)**
0-180 days	NIL
181-365 days	0.50%
Above 365 days	1.50%

Age of receivables (Rs. in Lakhs)

Particulars	**As at 31 March 2018**	**As at 31 March 2017**
0-180 days	11,319.35	26,933.46
181-365 days	6,048.51	4,550.32
Above 365 days	7,331.66	8,023.33
Gross trade receivables	24,699.52	39,507.11

36. Financial Instruments

Movement in the expected credit loss allowance :

(Rs. in Lakhs)

Particulars	As at 31 March 2018	As at 31 March 2017
Balance at beginning of the year	137.33	77.97
Movement in expected credit loss allowance	2.89	59.36
Balance at end of the year	140.22	137.33

b) Loans and Other Receivables

The Company applies expected credit losses (ECL) model for measurement and recognition of loss allowance on the loans given by the Company to the external parties. ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive (i.e., all cash shortfalls), discounted at the original effective interest rate.

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 income/expense in the Statement of Profit and Loss under the head ‘Other expenses’.

c)other financial assets

Credit risk arising from other balances with banks is limited because the counterparties are banks. There is no collateral held against such investments.

(viii) Liquidity Risk Management

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

INOX WIND INFRASTRUCTURE SERVICES LIMITED
Notes to the standalone financial statements for the year ended 31 March 2018
36. Financial Instruments

Liquidity risk tables

The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The tables include both interest and principal cash flows. To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate curves at the end of the reporting period. The contractual maturity is based on the earliest date on which the Company may be required to pay.

a) Non-Derivative Financial Liabilities

The table below provides details regarding the contractual maturities of financial liabilities including estimated interest payments as at 31 March 2018:

(Rs. in Lakhs)

Particulars	Less than 1 year	1 to 5 year	5 years and above	Total
As at 31 March 2018				
Borrowings	40,765.55	54,856.06	-	95,621.61
Trade payables	34,608.09	-	-	34,608.09
Other financial liabilities	7,567.17		-	7,567.17
Derivative financial liabilities	-	2,651.24	-	2,651.24
Total	82,940.81	57,507.30	-	140,448.11

The table below provides details regarding the contractual maturities of financial liabilities including estimated interest payments as at 31 March 2017:

(Rs. in Lakhs)

Particulars	Less than 1 year	1 to 5 year	5 years and above	Total
As at 31 March 2017				
Borrowings	26,491.00	52,636.84	-	79,127.84
Trade payables	38,738.73	-	-	38,738.73
Other financial liabilities	7,413.88	-	-	7,413.88
Derivative financial liabilities	-	3,078.08	-	3,078.08
Total	72,643.61	55,714.92	-	128,358.53

INOX WIND INFRASTRUCTURE SERVICES LIMITED
Notes to the standalone financial statements for the year ended 31 March 2018

36. Financial Instruments
(ix) Fair Value of the Cpmpany's financial assets and financial liabilities that are measured at fair value on a recurring basis:

(Rs. in Lakhs)

Financial assets/(Financial liabilities)	Fair Value as at		Fair Value Hierarchy	Valuation Technique(s) & key inputs used	Significant unobservable input(s)	Relationship of unobservable inputs to fair value
	31 March 2018	31 March 2017				
(a) Optionally convertiable debentures (See Note 21)	(2,651.24)	(3,078.08)	Level 2	Discounted cash flow. Future cash flows are estimated based on forward exchange rates (from observable yield curves at the end of the reporting period) and contract interest rates, discounted at a rate that reflects the credit risk of various counterparties.	NA	NA

During the period, there were no transfers between Level 1 and level 2

(x) 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 resonable 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.

37. 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 104.87 Lakhs (previous year Rs 112.10 Lakhs) is recognized as an expense and included in "Contribution to provident and other funds" in Statement of Profit and Loss.

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

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

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

(Rs. in Lakhs)

Movement in the present value of the defined benefit obligation are as follows :	**Gratuity**	
Particulars	**31 March 2018**	**31 March 2017**
Opening defined benefit obligation	141.05	71.86
Interest cost	9.33	5.38
Current service cost	86.20	65.85
Benefits paid	(3.05)	(0.39)
Actuarial (gain) / loss on obligations	(82.55)	(1.65)
Present value of obligation as at the year end	**150.98**	**141.05**

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

(Rs. in Lakhs)

Gratuity	**31 March 2018**	**31 March 2017**
Current service cost	86.20	65.85
Interest cost	9.33	5.38
Amount recognised in profit or loss	**95.53**	**71.23**
Actuarial (gain)/loss		
a) arising from changes in financial assumptions	(16.29)	13.68
b) arising from experience adjustments	(66.26)	(15.33)
Amount recognised in other comprehensive	**(82.55)**	**(1.65)**
Total	**12.98**	**69.58**

INOX WIND INFRASTRUCTURE SERVICES LIMITED
Notes to the standalone financial statements for the year ended 31 March 2018

37. Employee benefits:

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

Particulars	**31 March 2018**	**31 March 2017**
Discount rate (per annum)	7.52%	6.69%
Expected rate of salary increase	8.00%	8.00%
Employee attrition rate	5.00%	5.00%
Mortality	IALM(2006-08)Ultimate	

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

These plans typically expose the Company to actuarial risks such as interest rate risk and salary risk.
a) Interest risk: a decrease in the bond interest rate will increase the plan liability.
b) Salary risk: the present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an 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 occuring at the end of the reporting period, while holding all other assumptions constant.

Particulars	**Gratuity**	
	2017-18	**2016-17**
Impact on present value of defined benefit obligation:		
If discount rate is increased by 1%	(16.62)	(17.39)
If discount rate is decreased by 1%	19.96	21.11
If salary escalation rate is increased by 1%	19.20	20.17
If salary escalation rate is decreased by 1%	(16.30)	(16.97)

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

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

37. Employee benefits:

Expected outflow in future years (as provided in actuarial report) **(Rs. in Lakhs)**

Particulars	2017-18	2016-17
	Gratuity	
Expected outflow in 1st Year	7.16	3.18
Expected outflow in 2nd Year	5.11	3.85
Expected outflow in 3rd Year	4.75	2.96
Expected outflow in 4th Year	5.97	2.67
Expected outflow in 5th Year	4.83	3.71
Expected outflow in 6th to 10th Year	38.81	20.16

The average duration of the defined benefit plan obligation at the end of the reporting period is 11.46 years.

(c) Other long term employment benefits:
Annual leave & Short term leave
The liability towards compensated absences (annual and short term leave) for the year ended 31 March 2018 based on actuarial valuation carried out by using Projected accrued benefit method resulted in decrease in liability by Rs. 15.91 lakhs (31 March 2017: increase in liability by Rs. 51.96 lakhs), which is included in the employee benefits in the Statement of Profit and Loss.

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

Particulars	As at 31 March 2018	As at 31 March 2017
Discount rate	7.52%	6.69%
Expected rate of salary increase	8.00%	8.00%
Employee attrition rate	5.00%	5.00%
Mortaility rate	IALM(2006-08)Ultimate	

INOX WIND INFRASTRUCTURE SERVICES LIMITED
Notes to the standalone financial statements for the year ended 31 March 2018

38. Related Party Disclosures:

(i) Where control exists :
Inox Wind Limited (IWL) - holding company
Gujarat Fluorochemicals Limited (GFL) - holding company
Inox Leasing and Finance Limited - ultimate holding company

Subsidiaries
1. Marut Shakti Energy India Limited
2. Satviki Energy Private Limited
3. Sarayu Wind Power (Tallimadugula) Private Limited
4. Vinirrmaa Energy Generation Private Limited
5. Sarayu Wind Power (Kondapuram) Private Limited
6. RBRK Investments Limited – (w.e.f. on 30 August 2016)
7. Wind One Renergy Private Limited (incorporated on 26 April 2017)
8. Wind Three Renergy Private Limited (incorporated on 20 April 2017)
9. Suswind Power Private Limited (incorporated on 27 April 2017)
10. Vasuprada Renewables Private Limited (incorporated on 27 April 2017)
11. Ripudaman Urja Private Limited (incorporated on 28 April 2017)
12. Haroda Wind Energy Private Limited(incorporated on 16 November 2017)
13. Vigodi Wind Energy Private Limited (incorporated on 20 November 2017)
14. Vibhav Energy Private Limited (incorporated on 10 July 2017)
15. Vuelta Wind Energy Private Limited (incorporated on 17 January 2018)
16. Tempest Wind Energy Private Limited (incorporated on 17 January 2018)
17. Aliento Wind Energy Private Limited (incorporated on 17 January 2018)
18. Flutter Wind Energy Private Limited (incorporated on 18 January 2018)
19. Flurry Wind Energy Private Limited (incorporated on 18 January 2018)

Associates
Following subsidiaries incorporated during the year, have subsequently ceased to be subsidiaries and accounted as an "associate" (see Note 7)

Name of the Company	Date of incorpration	Accounted as "associate" w.e.f.
Wind Two Renergy Private Limited	4/20/2017	12/30/2017
Wind Four Renergy Private Limited	4/21/2017	12/30/2017
Wind Five Renergy Private Limited	4/20/2017	12/30/2017
Khatiyu Wind Energy Private Limited	11/17/2017	3/12/2018
Ravapar Wind Energy Private Limited	11/20/2017	3/12/2018
Nani Virani Wind Energy Private Limited	11/20/2017	3/12/2018

38. Related Party Disclosures:

ii. Other Related parties with whom there are transactions during the year

Key Management Personnel (KMP)
Mr. Vineet Davis – whole-time director
Mr. Manoj Dixit – whole-time director
Mr.Mukesh Manglik - Non executive director
Mr. Shanti Prasad Jain - Non executive director
Mr. V.Sankaranarayanan - Non executive director

Fellow Subsidaries
Inox Renewables Limited (IRL)-subsidiary of GFL
Inox Renewables (Jaisalmer) Limited-subsidiary of IRL

INOX WIND INFRASTRUCTURE SERVICES LIMITED

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

38. Related Party Disclosures:

(Rs. In Lakhs)

Particulars	Holding/Subsidiary companies		Associates		Fellow Subsidiaries		Total	
	2017-18	**2016-17**	**2017-18**	**2016-17**	**2017-18**	**2016-17**	**2017-18**	**2016-17**
A) Transactions during the year								
Sale of goods and services								
Inox Wind Limited	7,594.48	14,695.90					7,594.48	14,695.90
Gujarat Fluorochemicals Limited	444.13	422.85					444.13	422.85
Marut Shakti Energy India Limited	-	615.86					-	615.86
Inox Renewables Limited	-	-			614.34	585.07	614.34	585.07
Inox Renewables (Jaisalmer) Limited	-	-			529.20	504.00	529.20	504.00
Total	**8,038.61**	**15,734.61**	**-**	**-**	**1,143.54**	**1,089.07**	**9,182.15**	**16,823.68**
Purchase of goods and services								
Inox Wind Limited	4,623.00	-					4,623.00	-
Inox Renewables Limited					-	255.58	-	255.58
RBRK Investments Limited	926.27	1,008.48					926.27	1,008.48
Total	**5,549.27**	**1,008.48**			**-**	**255.58**	**5,549.27**	**1,264.06**
Inter-corporate deposits taken								
Inox Wind Limited	54,795.70	108,695.82					54,795.70	108,695.82
Inter-corporate deposits refunded								
Inox Wind Limited	54,160.57	101,851.74					54,160.57	101,851.74

INOX WIND INFRASTRUCTURE SERVICES LIMITED
Notes to the standalone financial statements for the year ended 31 March 2018

38. Related Party Disclosures:

(Rs. In Lakhs)

Particulars	Holding/Subsidiary companies		Associates		Fellow Subsidiaries		Total	
	2017-18	2016-17	2017-18	2016-17	2017-18	2016-17	2017-18	2016-17
A) Transactions during the year								
Share acquired during the year								
Wind One Renergy Private Limited	1.00	-					1.00	-
Wind Two Renergy Private Limited	1.00	-					1.00	-
Wind Three Renergy Private Limited	1.00	-					1.00	-
Wind Four Renergy Private Limited	1.00	-					1.00	-
Wind Five Renergy Private Limited	1.00	-					1.00	-
Vasuprada Renewables Private Limited	1.00	-					1.00	-
Suswind Power Private Limited	1.00	-					1.00	-
Ripudaman Urja Private Limited	1.00	-					1.00	-
Vibhav Energy Private Limited	1.00	-					1.00	-
Haroda Wind Energy Private Limited	1.00	-					1.00	-
Vigodi Wind Energy Private Limited	1.00	-					1.00	-
Aliento Wind Energy Private Limited	1.00	-					1.00	-
Tempest Wind Energy Private Limited	1.00	-					1.00	-
Flurry Wind Energy Private Limited	1.00	-					1.00	-
Vuelta Wind Energy Private Limited	1.00	-					1.00	-
Flutter Wind Energy Private Limited	1.00	-					1.00	-
Ravapar Wind Energy Private Limited	1.00	-					1.00	-
Khatiyu Wind Energy Private Limited	1.00	-					1.00	-
Nani Virani Wind Energy Private Limited	1.00	-					1.00	-
Total	**19.00**	-	-	-	-	-	**19.00**	-
Advance received								
Gujarat Fluorochemicals Limited	1,760.00	-					1,760.00	-
Inox Renewables Limited	-	-			2,150.00	-	2,150.00	-
Total	**1,760.00**	**-**	**-**	**-**	**2,150.00**	**-**	**3,910.00**	**-**

INOX WIND INFRASTRUCTURE SERVICES LIMITED
Notes to the standalone financial statements for the year ended 31 March 2018

38. Related Party Disclosures:

(Rs. In Lakhs)

Particulars	Holding/Subsidiary companies		Associates		Fellow Subsidiaries		Total	
A) Transactions during the year	**2017-18**	**2016-17**	**2017-18**	**2016-17**	**2017-18**	**2016-17**	**2017-18**	**2016-17**
Inter-corporate deposits given								
Marut Shakti Energy India Limited	169.78	3,494.79					169.78	3,494.79
Satviki Energy Private Limited	1.41	2.99					1.41	2.99
Sarayu Wind Power (Tallimadugula) Private Limited	39.67	191.19					39.67	191.19
Vinirrmaa Energy Generation Private Limited	27.67	622.37					27.67	622.37
Sarayu Wind Power (Kondapuram) Private Limited	3.10	1.33					3.10	1.33
RBRK Investments Limited	3,210.71	1,046.52					3,210.71	1,046.52
Wind One Renergy Private Limited	0.30	-					0.30	-
Wind Two Renergy Private Limited	0.30	-	0.55	-			0.85	-
Wind Three Renergy Private Limited	0.30	-					0.30	-
Wind Four Renergy Private Limited	0.30	-	0.55	-			0.85	-
Wind Five Renergy Private Limited	0.30	-	0.55	-			0.85	-
Vasuprada Renewables Private Limited	0.30	-					0.30	-
Tempest Wind Energy Private Limited	0.10	-					0.10	-
Aliento Wind Energy Private Limited	0.10	-					0.10	-
Flutter Wind Energy Private Limited	0.10	-					0.10	-
Flurry Wind Energy Private Limited	0.10	-					0.10	-
Vuelta Wind Energy Private Limited	0.10	-					0.10	-
Total	**3,454.64**	**5,359.19**	**1.65**	**-**	**-**	**-**	**3,456.29**	**5,359.19**
Inter-corporate deposits received back								
Marut Shakti Energy India Limited	1,385.00	1,890.49					1,385.00	1,890.49
Vinirrmaa Energy Generation Private Limited	308.00	269.65					308.00	269.65
Sarayu Wind Power (Tallimadugula)	171.00	-					171.00	-
Total	**1,864.00**	**2,160.14**					**1,864.00**	**2,160.14**

INOX WIND INFRASTRUCTURE SERVICES LIMITED
Notes to the standalone financial statements for the year ended 31 March 2018

38. Related Party Disclosures:

(Rs. In Lakhs)

Particulars	Holding/Subsidiary companies		Associates		Fellow Subsidiaries		Total	
A) Transactions during the year	**2017-18**	**2016-17**	**2017-18**	**2016-17**	**2017-18**	**2016-17**	**2017-18**	**2016-17**
Interest paid								
Inox Wind Limited								
-On inter-corporate deposit	1,297.11	1,516.64					1,297.11	1,516.64
-On debentures	2,000.00	2,000.00					2,000.00	2,000.00
Total	**3,297.11**	**3,516.64**					**3,297.11**	**3,516.64**
Guarantee Charges paid								
Gujarat Fluorochemicals Limited	219.55	-					219.55	-
Interest received								
Marut Shakti Energy India Limited	323.57	385.92					323.57	385.92
Sarayu Wind Power (Tallimadugula) Private Limited	44.06	45.59					44.06	45.59
Sarayu Wind Power (Kondapuram) Private Limited	13.34	13.02					13.34	13.02
Satviki Energy Private Limited	0.49	0.15					0.49	0.15
Vinirrmaa Energy Generation Private Limited	46.35	50.60					46.35	50.60
RBRK Investments Limited	197.02	35.46					197.02	35.46
Wind One Renergy Private Limited	0.02	-					0.02	-
Wind Two Renergy Private Limited	0.01	-	0.02				0.03	-
Wind Three Renergy Private Limited	0.02	-					0.02	-
Wind Four Renergy Private Limited	0.01	-	0.02				0.03	-
Wind Five Renergy Private Limited	0.01	-	0.02				0.03	-
Vasuprada Renewables Private Limited	0.02	-					0.02	-
Vuelta Wind Energy Private Limited	*	-					*	-
Tempest Wind Energy Private Limited	*	-					*	-
Aliento Wind Energy Private Limited	*	-					*	-
Flutter Wind Energy Private Limited	*	-					*	-
Flurry Wind Energy Private Limited	*	-					*	-
Total	**624.92**	**530.74**	**0.06**	**-**	**-**	**-**	**624.98**	**530.74**

(*) Amount is less than Rs. 0.01 lakhs

INOX WIND INFRASTRUCTURE SERVICES LIMITED
Notes to the standalone financial statements for the year ended 31 March 2018

38. Related Party Disclosures:

(Rs. In Lakhs)

Particulars	Holding/Subsidiary companies		Associates		Fellow Subsidiaries		Total	
A) Transactions during the year	**2017-18**	**2016-17**	**2017-18**	**2016-17**	**2017-18**	**2016-17**	**2017-18**	**2016-17**
Reimbursement of expenses received/payments made on behalf by the company								
Inox Wind Limited	8.42	5.36					8.42	5.36
RBRK Investments Limited	409.09	-					409.09	-
Inox Renewables Limited	-	-			-	140.94	-	140.94
Marut Shakti Energy India Limited	0.47	-					0.47	-
Suswind Power Private Limited	0.24	-					0.24	-
Vasuprada Renewables Private Limited	0.24	-					0.24	-
Ripudaman Urja Private Limited	0.25	-					0.25	-
Haroda Wind Energy Private Limited	0.32	-					0.32	-
Vigodi Wind Energy Private Limited	0.29	-					0.29	-
Vibhav Energy Private Limited	0.25	-					0.25	-
Total	**419.57**	**5.36**			**-**	**140.94**	**419.57**	**146.30**
Reimbursement of expenses paid/payments made on behalf of the company								
Inox Wind Limited	458.07	135.73					458.07	135.73
RBRK Investments Limited	75.25	-					75.25	-
Inox Renewables Limited					7.81	49.32	7.81	49.32
Inox Renewables (Jaisalmer) Limited					1.36	-	1.36	-
Total	**533.32**	**135.73**			**9.17**	**49.32**	**542.49**	**185.05**
Provision for dimunition in value of investments								
Vinirrmaa Energy Generation Private Limited	-	916.21					-	916.21
Sarayu Wind Power (Tallimadugula) Private Limited	-	283.19					-	283.19
RBRK Investments Limited	268.30	-					268.30	-
Total	**268.30**	**1,199.40**			**-**	**-**	**268.30**	**1,199.40**

INOX WIND INFRASTRUCTURE SERVICES LIMITED
Notes to the standalone financial statements for the year ended 31 March 2018

38. Related Party Disclosures:

(Rs. In Lakhs)

Particulars	Holding/Subsidiary companies		Associates		Fellow Subsidiaries		Total	
	2017-18	2016-17	2017-18	2016-17	2017-18	2016-17	2017-18	2016-17
A) Transactions during the year								
Provision for dimunition in value of deposits								
Marut Shakti Energy India Limited	318.37	762.00					318.37	762.00
Vinirrmaa Energy Generation Private Limited	37.04	54.58					37.04	54.58
Sarayu Wind Power (Tallimadugula) Private Limited	19.22	61.41					19.22	61.41
RBRK Investments Limited	454.38	-					454.38	-
Total	**829.01**	**877.99**			**-**	**-**	**829.01**	**877.99**

(Rs. In Lakhs)

Particulars	Holding/subsidiary companies		Associates		Fellow subsidiaries		Total	
B) Balance as at the end of the year	2017-18	2016-2017	2017-18	2016-2017	2017-18	2016-2017	2017-18	2016-2017
a) Amounts payable								
Trade and other payable								
Inox Wind Limited	7,050.19	-					7,050.19	-
Inox Renewables Limited					-	175.12	-	175.12
RBRK Investments Limited	2,163.71	1,051.40					2,163.71	1,051.40
Marut Shakti Energy India Limited	1,389.03	1,493.53					1,389.03	1,493.53
Total	**10,602.93**	**2,544.93**			**-**	**175.12**	**10,602.93**	**2,720.05**
Inter-corporate deposit payable								
Inox Wind Limited	15,876.14	15,241.00					15,876.14	15,241.00

INOX WIND INFRASTRUCTURE SERVICES LIMITED
Notes to the standalone financial statements for the year ended 31 March 2018

38. Related Party Disclosures:

(Rs. In Lakhs)

Particulars	Holding/subsidiary companies		Associates		Fellow subsidiaries		Total	
B) Balance as at the end of the year	**2017-18**	**2016-2017**	**2017-18**	**2016-2017**	**2017-18**	**2016-2017**	**2017-18**	**2016-2017**
Debentures								
Inox Wind Limited	50,000.00	50,000.00					50,000.00	50,000.00
Interest payable on inter-corporate deposit								
Inox Wind Limited	269.82	1,365.81					269.82	1,365.81
Interest payable on debentures								
Inox Wind Limited	735.78	735.78					735.78	735.78
b) Amounts receivable								
Trade receivables								
Inox Renewables Limited					123.28	-	123.28	-
Inox Wind Limited	-	2,508.86					-	2,508.86
Inox Renewables (Jaisalmer) Limited					149.97	-	149.97	-
Total	**-**	**2,508.86**			**273.25**	**-**	**273.25**	**2,508.86**
Advance received from Customer								
Gujarat Fluorochemicals Limited	1,760.00	-					1,760.00	-
Inox Renewables Limited					2,150.00	-	2,150.00	-
Total	**1,760.00**	**-**			**2,150.00**	**-**	**3,910.00**	**-**

INOX WIND INFRASTRUCTURE SERVICES LIMITED
Notes to the standalone financial statements for the year ended 31 March 2018

38. Related Party Disclosures:

(Rs. In Lakhs)

Particulars	Holding/subsidiary companies		Associates		Fellow subsidiaries		Total	
B) Balance as at the end of the year	**2017-18**	**2016-2017**	**2017-18**	**2016-2017**	**2017-18**	**2016-2017**	**2017-18**	**2016-2017**
Inter-corporate deposit receivable								
Marut Shakti Energy India Limited	2,348.92	3,564.14					2,348.92	3,564.14
Sarayu Wind Power (Tallimadugula) Private Limited	334.62	465.95					334.62	465.95
Sarayu Wind Power (Kondapuram) Private Limited	112.30	109.20					112.30	109.20
Satviki Energy Private Limited	5.00	3.59					5.00	3.59
Vinirrmaa Energy Generation Private Limited	165.40	445.72					165.40	445.72
RBRK Investments Limted	4,257.23	1,046.52					4,257.23	1,046.52
Wind One Renergy Private Limited	0.30	-					0.30	-
Wind Two Renergy Private Limited			0.85	-			0.85	-
Wind Three Renergy Private Limited	0.30	-					0.30	-
Wind Four Renergy Private Limited			0.85	-			0.85	-
Wind Five Renergy Private Limited			0.85	-			0.85	-
Vasuprada Renewables Private Limited	0.30	-					0.30	-
Tempest Wind Energy Private Limited	0.10	-					0.10	-
Aliento Wind Energy Private Limited	0.10	-					0.10	-
Flutter Wind Energy Private Limited	0.10	-					0.10	-
Flurry Wind Energy Private Limited	0.10	-					0.10	-
Vuelta Wind Energy Private Limited	0.10	-					0.10	-
Total	**7,224.87**	**5,635.12**	**2.55**	**-**	**-**	**-**	**7,227.42**	**5,635.12**
Other dues Receivable								
Suswind Power Private Limited	0.24	-					0.24	-
Vasuprada Renewables Private Limited	0.24	-					0.24	-
Ripudaman Urja Private Limited	0.25	-					0.25	-
Haroda Wind Energy Private Limited	0.32	-					0.32	-
Vigodi Wind Energy Private Limited	0.29	-					0.29	-
Vibhav Energy Private Limited	0.25	-					0.25	-
Total	**1.59**	**-**					**1.59**	**-**

INOX WIND INFRASTRUCTURE SERVICES LIMITED

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

38. Related Party Disclosures:

(Rs. In Lakhs)

Particulars	**Holding/subsidiary companies**		**Associates**		**Fellow subsidiaries**		**Total**	
B) Balance as at the end of the year	**2017-18**	**2016-2017**	**2017-18**	**2016-2017**	**2017-18**	**2016-2017**	**2017-18**	**2016-2017**
Interest on Inter-corporate deposit receivable								
Marut Shakti Energy India Limited	638.54	347.33					638.54	347.33
Sarayu Wind Power (Tallimadugula) Private Limited	80.68	41.03					80.68	41.03
Sarayu Wind Power (Kondapuram) Private Limited	23.73	11.72					23.73	11.72
Satviki Energy Private Limited	0.44	0.14					0.44	0.14
Vinirrmaa Energy Generation Private Limited	87.25	45.54					87.25	45.54
RBRK Investments Limted	209.23	31.91					209.23	31.91
Wind One Renergy Private Limited	0.02						0.02	-
Wind Two Renergy Private Limited	-		0.03				0.03	-
Wind Three Renergy Private Limited	0.02						0.02	-
Wind Four Renergy Private Limited	-		0.03				0.03	-
Wind Five Renergy Private Limited	-		0.03				0.03	-
Vasuprada Renewables Private Limited	0.02						0.02	-
Tempest Wind Energy Private Limited	*						*	-
Aliento Wind Energy Private Limited	*						*	-
Flutter Wind Energy Private Limited	*						*	-
Flurry Wind Energy Private Limited	*						*	-
Vuelta Wind Energy Private Limited	*						*	-
Total	**1,039.93**	**477.67**	**0.09**	**-**	**-**	**-**	**1,040.02**	**477.67**
Other dues Payable								
Gujarat Fluorochemicals Limited	219.55	-					219.55	-

(*) Amount is less than Rs. 0.01 lakhs

38. Related Party Disclosures:

C) Guarantees

During the year, Gujarat Fluorochemicals Limited, the holding company, has issued guarantee and provided security in respect of borrowings by the Company. The outstanding balances of such borrowings as at 31 March 2018 is Rs. 36,293.89 lakhs.

Notes:

(a) Sales, purchases and service transactions with related parties are made at arm's length price.

(b) Amounts outstanding are unsecured and will be settled in cash or receipts of goods and services.

(c) No expense has been recognised for the year ended 31 March 2018 and 1 April 2017 for bad or doubtful trade receivables in respect of amounts owed by related parties.

(d) There have been no other guarantees received or provided for any related party receivables or payables.

(e) Compensation of Key management personnel **(Rs. In Lakhs)**

Particulars	**2017-18**	**2016-17**
(i) Remuneration paid -		
- Mr. Manoj Dixit	40.79	40.79
- Mr. Vineet Davis	24.52	24.71
Sitting fees paid to directors	6.40	7.20
Total	**71.71**	**72.70**

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

INOX WIND INFRASTRUCTURE SERVICES LIMITED

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

38. Related Party Disclosures:

(b) Disclosure required under section 186(4) of the Companies Act, 2013

Loans to related parties: **Rs. In Lakhs**

Name of the Party	31 March 2018	31 March 2017
Marut Shakti Energy India Limited	2,348.92	3,564.14
Sarayu Wind Power (Tallimadugula) Private Limited	334.62	465.95
Sarayu Wind Power (Kondapuram) Private Limited	112.30	109.20
Satviki Energy Private Limited	5.00	3.59
Vinirrmaa Energy Generation Private Limited	165.40	445.72
RBRK Investments Limted	4,257.23	1,046.52
Wind One Energy Pvt. Ltd.	0.30	-
Wind Three Energy Pvt. Ltd.	0.30	-
Vasuprada Renewables Private Limited	0.30	-
Tempest Wind Energy Private Limited	0.10	-
Aliento Wind Energy Private Limited	0.10	-
Flutter Wind Energy Private Limited	0.10	-
Flurry Wind Energy Private Limited	0.10	-
Vuelta Wind Energy Private Limited	0.10	-
Total	**7,224.87**	**5,635.12**

The above loans are unsecured. The inter-corporate deposits are repayable on demand and carries interest @ 12% p.a. These loans are given for general business purposes.

INOX WIND INFRASTRUCTURE SERVICES LIMITED

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

38. Related Party Disclosures:

(c) Additional disclosure in respect of loans given, as required by the Listing Agreement: **Rs. In Lakhs**

Name of the loanee	Year	Amount of loans at the year end	Maximum balance during the year	Investment by the loanee in shares of the company
Marut Shakti Energy India Limited	31 March 2018	2,348.92	3,728.29	Nil
	31 March 2017	3,564.14	4,240.11	Nil
Sarayu Wind Power (Tallimadugula) Private Limited	31 March 2018	334.62	470.51	Nil
	31 March 2017	465.95	465.95	Nil
Sarayu Wind Power (Kondapuram) Private Limited	31 March 2018	112.30	112.30	Nil
	31 March 2017	109.20	109.20	Nil
Satviki Energy Private Limited	31 March 2018	5.00	5.00	Nil
	31 March 2017	3.59	3.59	Nil
Vinirrmaa Energy Generation Private Limited	31 March 2018	165.40	471.71	Nil
	31 March 2017	445.72	715.37	Nil
RBRK Investments Limited	31 March 2018	4,257.23	4,257.23	Nil
	31 March 2017	1,046.52	1,046.52	Nil
Wind One Energy Pvt. Ltd.	31 March 2018	0.30	0.30	Nil
	31 March 2017	-	-	Nil
Wind Three Energy Pvt. Ltd.	31 March 2018	0.30	0.30	Nil
	31 March 2017	-	-	Nil
Vasuprada Renewables Private Limited	31 March 2018	0.30	0.30	Nil
	31 March 2017	-	-	Nil
Tempest Wind Energy Private Limited	31 March 2018	0.10	0.10	Nil
	31 March 2017	-	-	Nil
Aliento Wind Energy Private Limited	31 March 2018	0.10	0.10	Nil
	31 March 2017	-	-	Nil
Flutter Wind Energy Private Limited	31 March 2018	0.10	0.10	Nil
	31 March 2017	-	-	Nil
Flurry Wind Energy Private Limited	31 March 2018	0.10	0.10	Nil
	31 March 2017	-	-	Nil
Vuelta Wind Energy Private Limited	31 March 2018	0.10	0.10	Nil
	31 March 2017	-	-	Nil

39: Exceptional items (Rs. in Lakhs)

Particulars	2017-18	2016-17
Provision for diminution in value of investment in a subsidiary	268.30	1,199.40
Provision for doubtful inter-corporate deposit to a subsidiary	829.02	877.99
Total	**1,097.32**	**2,077.39**

The management has reviewed the carrying amount of investment in, and inter-corporate deposits given to, subsidiaries. After considering the position of losses of subsidiaries and balance wind farm sites available for sale, provision is made for diminution in the value of investment and for doubtful inter-corporate deposits to the extent of accumulated losses of subsidiaries.

40: Particulars of payment to Auditors

(Rs. in Lakhs)

Particulars	2017-18	2016-17
Statutory audit	4.00	4.00
Tax audit and other audits under Income-tax Act	1.75	1.50
Taxation matters	1.50	1.15
Certification fees	0.80	0.20
Total	**8.05**	**6.85**

41: Contingent liabilities

(a) Claims against the Company not acknowledged as debts: claims made by contractors - Rs. 3,350.40 lakhs (as at 31 March 2016: Rs. 3,339.76 lakhs)

Some of the suppliers have raised claims including interest on account of non payment in terms of the respective contracts. The Company has contended that the suppliers have not adhered to some of the contract terms. At present the matters are pending before the jurisdictional authorities or are under negotiations.

b) In respect of claims made by three customers for non-commissioning of WTGs, the amount is not ascertainable.

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.

42: Commitments

Estimated amounts of contracts remaining to be executed on capital account and not provided for (net of advances) is Rs. 2,783.77 Lakhs, (31 March 2017: Rs. 2,306.25 Lakhs).

43: Operating lease arrangements

Leasing arrangements in respect of operating lease for office premises / residential premises:
The Company's significant lease agreements are for a period of 11/60 months and are cancellable. The aggregate lease rentals are charged as "Rent" in the Statement of Profit and Loss.

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 Erection, Procurement & Commissioning ("EPC"), Operations & Maintenance ("O&M") and Common Infrastructure Facilities services for WTGs, and development of wind farm and hence there is only one reportable business segment in terms of Ind AS 108: Operating Segment.

Revenue from major services (Rs. in Lakhs)

Particulars	31 March 2018	31 March 2017
Erection, procurement & commissioning services	15,557.28	58,466.97
Operation & maintenance services	16,205.03	10,190.75
Common infrastructure facility services	1,076.50	981.00
Other operating revenue- Booster packages	3,642.86	-
Other operating revenue	190.71	55.71
Total	**36,672.38**	**69,694.43**

Of the above total revenue, two customers contributed more than 10% of the total Group's revenue amounting to Rs. 11,787.11 lakhs (31 March 2017: Nil customer).

INOX WIND INFRASTRUCTURE SERVICES LIMITED
Notes to the standalone financial statements for the year ended 31 March 2018

45: Corporate Social Responsibilities (CSR)

(a) The gross amount required to be spent by the Company during the year towards Corporate Social Responsibility (CSR) is Rs. 21.05 Lakhs (31 March 2017 Nil).

(b) Amount spent during the year ended 31 March 2018:

(Rs. in Lakhs)

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

(Figures in brackets pertain to 31 March 2017)

As per our report of even date attached
For Patankar & Associates
Chartered Accountants

For and on behalf of the Board of Directors

S S Agrawal
Partner

Manoj Dixit
Director

Vineet Davis
Director

Place: Pune
Date : 18 May 2018

Place : Noida
Date : 18 May 2018