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

Report on the Consolidated Ind AS Financial Statements

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

Management's Responsibility for the Consolidated Ind AS Financial Statements

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

The respective Board of Directors of the companies included in the Group and of its associates are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and its associates 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 consolidated Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated Ind AS financial statements by the Directors of the Holding Company, as aforesaid.

Auditor's Responsibility

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

While conducting the 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 erform the audit to obtain reasonable assurance about whether the consolidated 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 consolidated Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated 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 Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated Ind AS financial statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditor in terms of their reports referred to in 'Other Matters' paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on these consolidated 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 consolidated 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 consolidated financial position of the Group and its associates as at 31st March 2018, their consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated statement of changes in equity for the year ended on that date.

Other Matters

The Consolidated Ind AS financial statements include the Group's share of net loss after tax of Rs. 1.56 lakhs for the year ended 31st March, 2018, as considered in the consolidated Ind AS financial statements, in respect of six associates, whose financial statements have not been audited by us. These financial statements have been audited by other auditor whose reports have been furnished to us by the Management and our opinion on the consolidated Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of these associates, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid associates is based solely on the reports of the other auditor. Our opinion on the consolidated Ind AS financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditor.

Report on Other Legal and Regulatory Requirements

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 of the aforesaid consolidated Ind AS financial statements.

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

(b) In our opinion, proper books of account as required by law relating to preparation of the consolidated Ind AS financial statements have been kept so far as it appears from our examination of those books.

(c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Cash Flows and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements.

(d) In our opinion, the aforesaid consolidated 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 of the Holding Company as on 31st March 2018 taken on record by the Board of Directors of the Holding Company and on the basis of reports of the independent auditors of its subsidiaries and associates, none of the directors of the Group are disqualified as on 31st March 2018 from being appointed as a director in terms of Section 164 (2) of the Act.

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

(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 and based on the consideration of the reports of the other auditor on separate Ind AS financial statement of associate companies, as noted in the 'Other matters' paragraph:

   i. The consolidated Ind AS financial statements disclose the impact of pending litigations on the consolidated financial position of the Group and its associates – refer Note 40 to the consolidated Ind AS financial statements;

   ii. The Group and its associates have made provision, as required under the applicable law or accounting standards including the Ind AS, for material foreseeable losses on long-term contracts including derivative contracts; and

   iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by its subsidiary companies and associate companies.

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

S S Agrawal
Partner
Membership No. 049051

Place: Pune
Date: 18 May 2018

Annexure to Independent auditor's report to the members of Inox Wind Infrastructure Services Limited on the consolidated Ind AS financial statements for the year ended 31st March 2018 – referred to in paragraph (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")

In conjunction with our audit of the consolidated Ind AS financial statements of **Inox Wind Infrastructure Services Limited** (hereinafter referred to as "the Holding Company") as of and for the year ended 31st March 2018, we have audited the internal financial controls with reference to financial statements of the Holding Company, its subsidiary companies and its associate companies, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding company, its subsidiary companies and its associate companies which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal controls with reference to financial statements criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India ("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 the respective 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 Holding Company's, its subsidiary companies' and its associate companies' 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 ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

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

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

Annexure to Independent auditor's report to the members of Inox Wind Infrastructure Services Limited on the consolidated 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 Holding Company's, its subsidiary companies' and its associate companies' 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 include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to Financial Statements

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

Opinion

In our opinion, the Holding Company, its subsidiary companies and its associate companies, which are companies incorporated in India, have, 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 controls with reference to financial statements criteria established by the Holding Company, its subsidiary companies and its associate companies, considering the essential components of internal controls stated in the Guidance Note issued by ICAI.

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

Other matters

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to financial statements insofar as it relates to six associates, which are companies incorporated in India, is based on the corresponding reports of the auditor of such companies.

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
Consolidated 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	49,951.52	27,085.06
(b) Capital work-in-progress		1,046.32	9,378.53
(c) Intangible assets	6	16.21	23.98
(d) Investment accounted for using the equity method	7	1.95	-
(e) Financial assets			
(i) Other investments	8	-	0.28
(ii) Loans	9	1,266.50	1,414.90
(iii) Other non-current financial assets	10	25,226.94	17,070.35
(f) Deferred tax assets (net)	22	71.89	0.48
(g) Income tax assets (net)	11	1,786.58	508.29
(h) Other non-current assets	12	1,009.86	599.81
Total Non - current assets		**80,377.77**	**56,081.68**
2 **Current assets**			
(a) Inventories	13	28,054.58	35,110.65
(b) Financial assets			
(i) Trade receivables	14	24,396.29	40,540.69
(ii) Cash and cash equivalents	15	1,722.71	3,863.36
(iii) Bank balances other than (ii) above	16	2,746.96	2,389.65
(iv) Loans	9	2.64	-
(v) Other current financial assets	10	4,028.92	788.92
(c) Other current assets	12	9,538.24	6,135.28
Total Current assets		**70,490.34**	**88,828.55**
Total Assets		**1,50,868.11**	**1,44,910.23**

INOX WIND INFRASTRUCTURE SERVICES LIMITED

Consolidated 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	19A	3,290.28	3,290.28
(c) Other equity	18	(3,115.26)	2,495.36
Total equity		**180.02**	**5,790.64**
LIABILITIES			
1 **Non-current liabilities**			
(a) Financial liabilities			
(i) Borrowings	19	54,856.06	52,636.84
(ii) Other non-current financial liabilities	20	2,651.24	3,078.08
(b) Provisions	21	232.90	241.98
(c) Deferred tax liabilities (net)	22	-	2,275.04
(d) Other non-current liabilities	23	5,493.12	6,722.79
Total Non-current liabilities		**63,233.32**	**64,954.73**
2 **Current liabilities**			
(a) Financial liabilities			
(i) Borrowings	24	15,876.14	16,741.00
(ii) Trade payables	25	32,637.83	36,362.30
(iii) Other current financial liabilities	20	32,515.82	17,239.98
(b) Other current liabilities	23	6,349.33	3,727.05
(c) Provisions	21	75.57	72.47
(d) Current tax liabilities (net)	26	0.08	22.06
Total current liabilities		**87,454.77**	**74,164.86**
Total Equity and Liabilities		**1,50,868.11**	**1,44,910.23**

The accompanying notes are an integral part of the consolidated 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
Consolidated Statement of Profit and Loss for the year ended 31 March 2018

(Rs. in Lakhs)

Particulars	Notes	Year ended 31 March 2018	Year ended 31 March 2017
Revenue			
Revenue from operations	27	36,781.25	69,980.96
Other income	28	191.73	230.87
Total Revenue (I)		**36,972.98**	**70,211.83**
Expenses			
EPC, O&M, Common infrastructure facility and site development expenses	29	24,381.06	48,768.47
Changes in inventories of work-in-progress	30	5,414.66	1,517.60
Employee benefits expense	31	3,561.93	3,816.05
Finance costs	32	6,514.84	3,845.66
Depreciation and amortisation expense	33	1,663.38	929.74
Other expenses	34	3,462.51	2,910.28
Total Expenses (II)		**44,998.38**	**61,787.80**
Share of profit/(loss) of associates (III)		(1.56)	-
Profit/(loss) before tax (I-II+III=IV)		**(8,026.96)**	**8,424.03**
Tax expense (V):	42		
Current tax		-	2,346.75
MAT credit entitlement		-	(2,320.05)
Deferred tax		(2,365.14)	3,349.98
Taxation pertaining to earlier years		2.50	-
		(2,362.64)	3,376.68
Profit/(loss) for the year (IV-V=VI)		**(5,664.32)**	**5,047.35**
Other Comprehensive income			
Items that will not be reclassified to profit or loss			
Remeasurement of defined benefit obligation		82.55	1.65
Tax on above		(28.85)	(0.57)
Total Other Comprehensive income (VII)		**53.70**	**1.08**
Total Comprehensive income for the year (VI + VII)		**(5,610.62)**	**5,048.43**
Basic earnings/(loss) per equity share of Rs. 10 each (in Rs.)	35	(11,328.64)	10,094.70
Diluted earnings/(loss) per equity share of Rs. 10 each (in Rs.)	35	(11,328.64)	1.48

The accompanying notes are an integral part of the consolidated 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

Vineet Davis
Director

Place : Noida
Date : 18 May 2018

INOX WIND INFRASTRUCTURE SERVICES LIMITED
Consolidated statement of cash flows for the year ended 31 March 2018

(Rs. in lakhs)

Particulars	2017-2018	2016-2017
Cash flows from operating activities		
Profit/(loss) for the year after tax	**(5,664.32)**	**5,047.35**
Adjustments for:		
Tax expense	(2,362.64)	3,376.68
Finance costs	6,514.84	3,845.67
Interest income	(156.77)	(116.08)
Share of (profit)/loss of associates	1.56	-
Liquidated damages	924.81	1,805.34
Allowance for expected credit losses	8.18	66.98
Depreciation and amortisation expenses	1,663.38	929.74
Loss on sale / disposal of property, plant and equipment	-	17.48
Net (gains)/loss on derivative portion of compound financial instrument	1,573.16	(76.45)
	2,502.20	**14,896.71**
Movements in working capital:		
(Increase)/Decrease in Trade receivables	13,429.25	(20,349.42)
(Increase)/Decrease in Inventories	7,056.09	257.84
(Increase)/Decrease in Loans	148.40	(267.55)
(Increase)/Decrease in Other financial assets	(11,436.82)	(7,706.74)
(Increase)/Decrease in Other assets	(3,601.39)	(2,826.53)
Increase/(Decrease) in Trade payables	(4,103.25)	11,661.95
Increase/(Decrease) in Other financial liabilities	670.57	1,087.88
Increase/(Decrease) in Other liabilities	3,123.57	2,598.20
Increase/(Decrease) in Provisions	76.57	122.96
Cash generated from operations	**7,865.19**	**(524.70)**
Income taxes paid	(1,362.66)	(1,503.62)
Net cash generated from operating activities	**6,502.53**	**(2,028.32)**
Cash flows from investing activities		
Purchase of property, plant and equipment (including changes in capital WIP, capital creditors/advances)	(16,658.83)	(17,064.42)
Investment in subsidiaries & associates	(6.00)	-
Movement in consideration payable for business combinations	25.00	(729.46)
Interest received	153.25	38.75
Inter corporate deposits given	(2.55)	-
Movement in bank deposits	(329.40)	(2,017.81)
Net cash (used in) investing activities	**(16,818.53)**	**(19,772.94)**

INOX WIND INFRASTRUCTURE SERVICES LIMITED

Consolidated statement of cash flows for the year ended 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)	(233.15)
Proceeds from/(repayment of) short term borrowings (net)	(864.86)	8,266.50
Finance costs	(6,321.25)	(2,739.20)
Net cash generated from financing activities	**8,175.35**	**24,794.15**
Net increase/(decrease) in cash and cash equivalents	**(2,140.65)**	**2,992.89**
Cash and cash equivalents at the beginning of the year	3,863.36	870.29
On acquistion through business combinations	-	0.18
Cash and cash equivalents at the end of the year	**1,722.71**	**3,863.36**

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	1,399.34	4,804.31
Interest paid	(2,505.81)	(3,568.13)
Unwinding cost of compounding financial instrument	-	1,997.17
Closing Balance	**16,145.96**	**81,177.90**

Notes:

1 The above 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 consolidated 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

Consolidated 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	**Reserves and Surplus**		
	Debenture Redemption Reserve	**Retained earnings**	**Total**
Balance as at 1 April 2016	-	(2,553.07)	**(2,553.07)**
Additions during the year:			
Profit for the year	-	5,047.35	5,047.35
Other comprehensive income for the year, net of income tax (*)	-	1.08	1.08
Total comprehensive income for the year		**5,048.43**	**5,048.43**
Transfer from retained earnings	1,800.00	(1,800.00)	-
Balance as at 31 March 2017	**1,800.00**	**695.36**	**2,495.36**
Additions during the year:			
(Loss) for the year		(5,664.32)	(5,664.32)
Other comprehensive income for the year, net of income tax (*)		53.70	53.70
Total comprehensive income for the year	-	**(5,610.62)**	**(5,610.62)**
Balance as at 31 March 2018	**1,800.00**	**(4,915.26)**	**(3,115.26)**

(*) 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 consolidated 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

Vineet Davis
Director

Place : Noida
Date : 18 May 2018

1. Group information

Inox Wind Infrastructure Services Limited ("the Company") is a public limited company incorporated in India. These Consolidated Financial Statements ("these CFS") relate to the Company and its subsidiaries (collectively referred to as the "Group") and the Group's interest in associates. The Group is engaged in the business of providing Erection, Procurement and Commissioning ("EPC") services, Operations and Maintenance ("O&M") services, wind farm development services and Common Infrastructure Facilities for WTGs. The Company's parent company is 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 Group 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, India.

2. Statement of compliance and basis of preparation and presentation

2.1 Statement of Compliance

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

These CFS 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 Group 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 CFS 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 realisable value in Ind AS 2 or value in use in Ind AS 36.

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

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

2.3 Basis of Preparation and Presentation

Effective 1 April 2016, the Group 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 CFS 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 Group'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 Group 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 Group 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 realization in cash and cash equivalents.

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

3. Basis of Consolidation and Significant Accounting Polices

3.1 Basis of consolidation

These CFS incorporate the financial statements of the Company and its subsidiaries. Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit and loss from the date the Company gains control until the date when the Company ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of the subsidiaries of the Group to bring their accounting policies in line with the Group's accounting policies.

All intragroup assets and liabilities, equity, income, expenses, and cash flows relating to transactions between subsidiaries of the Group are eliminated in full on consolidation.

3.1.1 Changes in the Group's ownership interests in existing subsidiaries

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interest and the non-controlling interests are adjusted to reflect the changes in their relative interest in the subsidiaries. Any difference between the amount that the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to the owners of the Company.

When the Group losses control of a subsidiary, gain or loss is recognised in profit or loss and is calculated as a difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable Ind AS). The fair value of any investment retained in the former subsidiary at the date when the control is lost is regarded as the fair value on initial recognition for subsequent accounting under Ind AS 109, or, when applicable, the cost on initial recognition of an investment in an associate.

3.2 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 Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group 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;
- liabilities or equity instruments related to share-based payment arrangements of the acquiree or share-based payment arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with Ind AS 102 Share-based Payment at the acquisition date; and
- assets (or disposal groups) 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 Group determines whether there exists clear evidence of the underlying reasons for classifying the business combination as a bargain purchase. Thereafter, the Group 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 Group 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

Group 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 Group 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 Group 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 Group'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 Group 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.

3.3 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 3.2 above) less accumulated impairment losses, if any.

For the purposes of impairment testing, goodwill is allocated to each of the Group'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.

3.4 Investment in associates

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

The results and assets and liabilities of associates are incorporated in these CFS using the equity method of accounting, except when the investment, or a portion thereof, is classified as held for sale, in which case it is accounted for in accordance with Ind AS 105. Under the equity method, an investment in an associate is initially recognised in the consolidated balance sheet at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the associate. Distributions received from an associate reduce the carrying amount of the investment. When the Group's share of losses of an associate exceeds the Group's interest in that associate (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate), the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate.

An investment in an associate is accounted for using the equity method from the date on which the investee becomes an associate. On acquisition of the investment in an associate, any excess of the cost of the investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognised directly in equity as capital reserve in the period in which the investment is acquired.

After application of the equity method of accounting, the Group determines whether there is any objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the net investment in an associate and that event (or events) has an impact on the estimated future cash flows from the net investment that can be reliably estimated. If there exists such an objective evidence of impairment, then it is necessary to recognise impairment loss with respect to the Group’s investment in an associate.

When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with Ind AS 36 Impairment of Assets as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount. Any impairment loss recognised forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with Ind AS 36 to the extent that the recoverable amount of the investment subsequently increases.

The Group discontinues the use of the equity method from the date when the investment ceases to be an associate, or when the investment is classified as held for sale. When the Group retains an interest in the former associate and the retained interest is a financial asset, the Group measures the retained interest at fair value at that date and the fair value is regarded as its fair value on initial recognition in accordance with Ind AS 109. The difference between the carrying amount of the associate at the date the equity method was discontinued, and the fair value of any retained interest and any proceeds from disposing of a part interest in associate is included in the determination of the gain or loss on disposal of the associate. In addition, the Group accounts for all amounts previously recognised in other comprehensive income in relation to that associate on the same basis as would be required if that associate had directly disposed of the related assets or liabilities. Therefore, if a gain or loss previously recognised in other comprehensive income by that associate would be reclassified to profit or loss on the disposal of the related assets or liabilities, the Group reclassifies the gain or loss from equity to profit or loss (as a reclassification adjustment) when the equity method is discontinued.

The Group continues to use the equity method when an investment in an associate becomes an investment in joint venture. There is no remeasurement to fair value upon such changes in ownership interests. When the Group reduces its ownership interest in an associate but the Group continues to use the equity method, the Group reclassifies to profit or loss the proportion of the gain or loss that had previously been recognised in other comprehensive income relating to that reduction in ownership interest if that gain or loss would be reclassified to profit or loss on the disposal of the related assets or liabilities.

When a Group company transacts with an associate of the Group, unrealised gains and losses resulting from such transactions are eliminated to the extent of the interest in the associate.

3.5 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 Group 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 & service tax, sales tax, value added tax, service tax and other similar taxes.

3.5.1 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.

3.5.2 Other income

Dividend income from investments is recognized when the right to receive payment is established. 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.

3.6 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 Group comprise of only operating leases.

3.6.1 The Group 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.

3.7 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.

3.8 Employee benefits

3.8.1 Retirement benefit costs

Recognition and measurement of defined contribution plans:

Payments to defined contribution retirement 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 Group 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 Group'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.

3.8.2 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 Group in respect of services provided by employees up to the reporting date.

3.9 Taxation

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

3.9.1 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 consolidated 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 Group's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

3.9.2 Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated 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 Group 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 Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

3.9.3 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 Group 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 Group 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 Group.

3.10 Property, plant and equipment

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

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

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

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

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

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

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

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

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

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

For transition to Ind AS, the Group 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.

3.11 Intangible assets

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation 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 its 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 Group 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.

3.12 Impairment of tangible and intangible assets other than goodwill

At the end of each reporting period, the Group 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 Group 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.

3.13 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 finished goods and work-in-progress includes the cost of materials, conversion costs, an appropriate share of fixed and variable production overheads and other costs incurred in bringing the inventories to their present location and condition. Closing stock of imported materials include customs duty payable thereon, wherever applicable. Net realizable 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.

3.14 Provisions and contingencies

The Group 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.

3.15 Financial instruments

Financial assets and financial liabilities are recognised when a group 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 Group 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 Group classifies a financial asset in accordance with the below criteria:
i. The Group'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 Group 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 Group'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 Group. 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 Group'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 Group may, on initial recognition, irrevocably elect to measure the same either at FVTOCI or FVTPL. The Group 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 Group has elected to measure such instrument at FVTOCI.

The Group 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 Group. 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 group of similar financial assets) is derecognized (i.e. removed from the Group's Balance Sheet) when any of the following occurs:

i. The contractual rights to cash flows from the financial asset expires;
ii. The Group 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 Group 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 Group neither transfers nor retains substantially all risk and rewards of ownership and does not retain control over the financial asset.

In cases where Group has neither transferred nor retained substantially all of the risks and rewards of the financial asset, but retains control of the financial asset, the Group continues to recognize such financial asset to the extent of its continuing involvement in the financial asset. In that case, the Group 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 Group 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 Group 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 Group 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 Group 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 Group 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 Group in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original effective interest rate.

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

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

As a practical expedient, the Group 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 a Group member 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 a Group member are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Group'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 Group'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 Group 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 Group 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.

3.16 Derivative financial instruments and hedge accounting

a) Fair value hedge:

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

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

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

Note 36 sets out details of the fair values of the derivative instruments used for hedging purposes.

b) Cash flow hedges

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in other comprehensive income and accumulated under the heading of cash flow hedging reserve. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss.

Amounts previously recognised in other comprehensive income and accumulated in equity relating to (effective portion as described above) are reclassified to profit or loss in the periods when the hedged item affects profit or loss, in the same line as the recognised hedged item. However, when the hedged forecast transaction results in the recognition of a non-financial asset or a non-financial liability, such gains and losses are transferred from equity (but not as a reclassification adjustment) and included in the initial measurement of the cost of the non-financial asset or non-financial liability.

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

Any gain or loss recognised in other comprehensive income and accumulated in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in profit or loss. When a forecast transaction is no longer expected to occur, the gain or loss accumulated in equity is recognised immediately in profit or loss.

3.17 Earnings Per Share

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

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

3.18 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 Group 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 Group.

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 Group.

4 Critical accounting judgements and use of estimates

In application of Group's accounting policies, which are described in Note 3, the directors of the Holding 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.

4.17 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):

The Group has adopted useful lives of PPE as described in Note 3.10 above. The Group reviews the estimated useful lives of PPE at the end of each reporting period.

b) Fair value measurements and valuation processes

The Group 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 Group 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 Group 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 and possibility of utilizing available tax credits – see Note 42
- Measurement of defined benefit obligations and other long-term employee benefits: – see Note 37
- Recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources – see Note 38
- Impairment of financial assets – see Note 36

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

5 : Property, plant and equipment

(Rs. in Lakhs)

	As at 31 March 2018	As at 31 March 2017
Carrying amounts of:		
Freehold land	910.27	910.27
Road	1,421.97	802.31
Plant and equipment	47,401.34	25,215.00
Furniture and fixtures	175.73	92.16
Vehicles	2.22	1.83
Office equipment	39.99	63.49
Total	**49,951.52**	**27,085.06**

Note: Assets mortgaged/pledged as security for borrowings: **(Rs. in Lakhs)**

Carrying amounts of:	**As at 31 March 2018**	**As at 31 March 2017**
Freehold land	910.27	511.26
Buildings	1,421.97	183.05
Plant and equipment	47,401.34	15,155.10
Furniture and fixtures	175.73	74.62
Vehicles	2.22	1.84
Office equipment	39.99	54.18
Capital Work-in progress	-	3,163.18
Total	**49,951.52**	**19,143.23**

INOX WIND INFRASTRUCTURE SERVICES LIMITED
Notes to the consolidated 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	**462.90**	**484.67**	**16,178.78**	**71.60**	**1.57**	**89.68**	**17,289.20**
Additions	447.37	619.26	9,917.71	44.20	0.61	34.05	11,063.20
Borrowing cost capitalised	-	-	146.16	-	-	-	146.160
Disposals	-	-	5.07	9.34	-	5.08	19.49
Balance as at 31 March 2017	**910.27**	**1,103.93**	**26,237.58**	**106.46**	**2.18**	**118.65**	**28,479.07**
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	**910.27**	**2,044.36**	**49,712.27**	**204.32**	**2.84**	**127.08**	**53,001.14**
Accumulated Depreciation:							
Balance as at 1 April 2016	**-**	**186.21**	**259.42**	**6.07**	**0.13**	**22.25**	**474.08**
Eliminated on disposal of assets	-	-	(0.32)	(0.85)	-	(0.85)	(2.02)
Depreciation expense for the year	-	115.41	763.48	9.08	0.22	33.76	921.95
Balance as at 31 March 2017	-	**301.62**	**1,022.58**	**14.30**	**0.35**	**55.16**	**1,394.01**
Depreciation expense for the year	-	320.77	1,288.35	14.29	0.27	31.93	1,655.61
Balance as at 31 March 2018	**-**	**622.39**	**2,310.93**	**28.59**	**0.62**	**87.09**	**3,049.62**

(Rs. in Lakhs)

Net carrying amount	Land - Freehold	Roads	Plant and equipment	Furniture and Fixtures	Vehicles	Office Equipment	Total
As at 31 March 2017	910.27	802.31	25,215.00	92.16	1.83	63.49	27,085.06
As at 31 March 2018	910.27	1,421.97	47,401.34	175.73	2.22	39.99	49,951.52

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

		(Rs. in Lakhs)
	As at 31 March 2018	**As at 31 March 2017**
6 : Intangible assets		
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

(Rs. in Lakhs)

Particulars	As at 31 March 2018	As at 31 March 2017
7 :Investment accounted for using the equity method		
Investment in associates		
Investment in equity instruments (unquoted)		
- in fully paid-up equity shares of Rs. 10 each		
Wind Two Renergy Private Limited- 10000 (31 March 2017: Nil) equity shares	-	-
Wind Four Renergy Private Limited- 10000 (31 March 2017: Nil) equity shares	-	-
Wind Five Renergy Private Limited- 10000 (31 March 2017: Nil) equity shares	-	-
Nani Virani Wind Energy Private Limited- 10000 (31 March 2017: Nil) equity shares	0.65	-
Ravapar Wind Energy Private Limited- 10000 (31 March 2017: Nil) equity shares	0.65	-
Khatiyu Wind Energy Private Limited- 10000 (31 March 2017: Nil) equity shares	0.65	-
	1.95	**-**

Details of the Group's associates at the end of the reporting period are as follows:

During the year, the Group has incorporated following wholly-owned subsidiaries for the purpose of carrying out business of generation and sale of wind energy. Thereafter, the Group 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 Group has ceased to exercise control over such companies in terms of Ind AS 110: Consolidated Financial Statements. Therefore, the Group has accounted for investment in such companies as investment in 'associate' from the date of cessation of control.

Name of the associate	Fair value on the date of becoming an associate	Proportion of ownership interest and voting rights held by the Group (*)	
		As at 31 March 2018	**As at 31 March 2017**
Wind Two Renergy Private Limited	0.17	100%	N.A.
Wind Four Renergy Private Limited	0.17	100%	N.A.
Wind Five Renergy Private Limited	0.17	100%	N.A.
Nani Virani Wind Energy Private Limited	1.00	100%	N.A.
Ravapar Wind Energy Private Limited	1.00	100%	N.A.
Khatiyu Wind Energy Private Limited	1.00	100%	N.A.

All the above associates are incorporated in India and are proposed to be engaged in the business of generation and sale of wind energy.

(*) The voting rights are subject to the binding agreements referred above.

7: Investment accounted for using the equity method - continued

The above associates are accounted for using the equity method in these consolidated financial statements.

Name of the associate	The Group's share of profit/(loss)	The Group's share of other comprehensive income	The Group's share of total comprehensive income
Wind Two Renergy Private Limited	0.17	-	0.17
Wind Four Renergy Private Limited	0.17	-	0.17
Wind Five Renergy Private Limited	0.17	-	0.17
Nani Virani Wind Energy Private Limited	0.35	-	0.35
Ravapar Wind Energy Private Limited	0.35	-	0.35
Khatiyu Wind Energy Private Limited	0.35	-	0.35

The above companies are incorporated during the year and hence there are no previous year figures.

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

(Rs. in Lakhs)

Particulars	As at 31 March 2018	As at 31 March 2017
8: Other investments		
Non-current		
Investment in Government Securities (at amortised cost)		
National Saving Certificates	-	0.28
Total	**-**	**0.28**
Aggregate book value of quoted investments	-	-
Aggregate market value of quoted investments	-	-
Aggregate carrying value of unquoted investments	-	0.28
Aggregate amount of impairment in value of investments	-	-
Category-wise other investments – as per Ind AS 109 classification		
- at amortised cost	-	0.28
	-	0.28

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.

(Rs. in Lakhs)

Particulars	As at 31 March 2018	As at 31 March 2017
9 : Loans		
(Unsecured, considered good)		
Non-current		
Security deposits	1,266.50	1,414.90
Total	**1,266.50**	**1,414.90**
Current		
Loans to related parties (Refer Note 43)		
Inter-corporate deposits to associates, considered good	2.64	-
Total	**2.64**	**-**
10 : Other financial assets		
Non-current		
Non-current bank balances (from Note 16)	257.73	298.89
Unbilled revenue	24,887.46	16,689.71
Other recoverable	81.75	81.75
Total	**25,226.94**	**17,070.35**
Current		
Unbilled revenue	4,028.92	622.00
Insurance claims	-	166.92
Total	**4,028.92**	**788.92**
11: Income tax assets (net)		
Non-current		
Income tax paid (net of provisions)	1,786.58	508.29
Total	**1,786.58**	**508.29**

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

(Rs. in Lakhs)

Particulars	As at 31 March 2018	As at 31 March 2017
12 : Other assets		
Non-current		
Capital advances	246.09	34.51
Balances with government authorities		
- Balances in service tax, VAT and GST accounts	763.57	561.15
Prepayments - others	0.20	4.15
Total	**1,009.86**	**599.81**
Current		
Advance to suppliers	7,737.31	5,616.35
Balances with government authorities		
- Balances in Service tax , VAT & GST accounts	1,059.47	332.25
Prepayments - others	741.46	186.68
Total	**9,538.24**	**6,135.28**
13: Inventories		
(at lower of cost and net realisable value)		
Construction materials	9,883.66	11,525.07
Work-in-progress	18,170.92	23,585.58
Total	**28,054.58**	**35,110.65**
14 : Trade receivables		
(Unsecured, considered good, unless otherwise stated)		
Current		
Considered good	24,396.29	40,540.69
Considered doubtful	157.18	149.00
Sub-total	**24,553.47**	**40,689.69**
Less: Allowance for expected credit losses	157.18	149.00
Total	**24,396.29**	**40,540.69**

(Rs. in Lakhs)

Particulars	As at 31 March 2018	As at 31 March 2017
15: Cash and cash equivalents		
Balances with banks		
in Current accounts	304.45	3,857.80
in Cash credit accounts	5.70	1.32
Cash on hand	1.36	4.24
Bank deposits with original maturity for less than 3 months	1,411.20	-
Total	**1,722.71**	**3,863.36**
16: Other bank balances		
Bank deposits with original maturity period of more than 3 months but less than 12 months	1,978.51	1,168.27
Bank deposits with original maturity for more than 12 months	1,026.18	1,520.27
	3,004.69	2,688.54
Less: Amount disclosed under Note 10 - 'Other financial assets-Non current'	257.73	298.89
Total	**2,746.96**	**2,389.65**
Notes:		
Other bank balances include margin money deposits kept as security against bank guarantee as under:		
a) Bank deposits with original maturity for more than 3 months but less than 12 months	1,857.67	1,168.27
b) Bank deposits with original maturity for more than 12 months	513.85	1,517.72

17: Equity share capital

(Rs. in Lakhs)

	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 Equity shares outstanding at the beginning and at the end of the year

Particulars	As at 31 March 2018		As at 31 March 2017	
	No. of shares	Amount (Rs. in lakhs)	No. of shares	Amount (Rs. in lakhs)
Outstanding at the beginning of the year	50,000	5.00	50,000	5.00
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

Particulars	As at 31 March 2018		As at 31 March 2017	
	No. of shares	Amount (Rs. in lakhs)	No. of shares	Amount (Rs. in lakhs)
Inox Wind Limited(*)	50,000	5.00	50,000	5.00

(d) Details of shares held by each shareholder holding more than 5% shares:

Name of Shareholder	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%

(*) Including shares held through nominee shareholders.

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

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

18: Other equity

(Rs. in Lakhs)

Particulars	As at 31 March 2018	As at 31 March 2017
Debenture redemption reserve	1,800.00	1,800.00
Retained earnings	(4,915.26)	695.36
Total	**(3,115.26)**	**2,495.36**

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 Group 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:

Surplus/(Deficit) at beginning of the year	695.36	(2,553.07)
Profit/(loss) for the year	(5,664.32)	5,047.35
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	**(4,915.26)**	**695.36**

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

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

(Rs. in Lakhs)

Particulars	As at 31 March 2018	As at 31 March 2017
19: Non current borrowings		
Secured loans		
a) Debentures		
Redeemable non convertible debentures	26,084.09	19,696.25
Optionally convertible debentures - Liability portion of compound financial instrument	44,884.01	42,886.84
b) Rupee term loans		
From banks	10,209.80	-
Total	**81,177.90**	**62,583.09**
Less: Disclosed under Note 20: Other current financial liabilities -		
- Current maturities of non-current borrowings	(24,889.41)	(9,750.00)
- Interest accrued	(1,432.43)	(196.25)
Total	**54,856.06**	**52,636.84**

For terms of repayment and securities etc. Refer Note 19A

19A: 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

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	10,00,000	10,000.00
Series D	5th Nov.2015	6 years	10,00,000	10,000.00
Series C	3rd Nov.2015	5 years	10,00,000	10,000.00
Series B	29th Oct.2015	4 years	10,00,000	10,000.00
Series A	27th Oct.2015	3 years	10,00,000	10,000.00
Total			**50,00,000**	**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.

(Rs. in Lakhs)

Particulars	As at 31 March 2018	As at 31 March 2017
20: 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 (Refer Note 19)	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
Expenses payables	59.24	76.10
Total	**32,515.82**	**17,239.98**
21: Provisions		
Non-current		
Provision for employee benefits (Refer Note 37)		
Gratuity	143.82	137.87
Compensated absences	89.08	104.11
Total	**232.90**	**241.98**
Current		
Provision for employee benefits (Refer Note 37)		
Gratuity	7.16	3.18
Compensated absences	68.41	69.29
Total	**75.57**	**72.47**

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

22. Deferred tax balances

(Rs. in Lakhs)

Particulars	As at 31 March 2018	As at 31 March 2017
Deferred tax assets	71.89	0.48
Deferred tax liabilities	-	(2,275.04)
	71.89	**(2,274.56)**

Year ended 31 March 2018
Deferred tax assets/(liabilities) 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	(502.65)	501.72	-	-	(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
Equity component of Compound financial instrument	(1,741.34)	-	-	-	(1,741.34)
Business loss	3,409.24	5,333.41	-	-	8,742.65
Other deferred tax assets	61.95	686.04	-	-	747.99
Other deferred tax liabilities	-	(68.03)	-	-	(68.03)
	(4,594.61)	**2,375.30**	**(28.85)**	**-**	**(2,248.16)**
MAT credit entitlement	2,320.05	-	-	-	2,320.05
Total	**(2,274.56)**	**2,375.30**	**(28.85)**	**-**	**71.89**

Year ended 31 March 2017
Deferred tax assets/(liabilities) 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	222.67	(725.32)	-	-	(502.65)
Intangible assets	-	-			-
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
Equity component of Compound financial instrument	(1,741.34)	-	-	-	(1,741.34)
Business loss	3,188.38	220.86	-	-	3,409.24
Other deferred tax assets	145.39	(83.44)	-	-	61.95
	(1,244.06)	**(3,349.98)**	**(0.57)**	**-**	**(4,594.61)**
MAT credit entitlement			-	2,320.05	2,320.05
Total	**(1,244.06)**	**(3,349.98)**	**(0.57)**	**2,320.05**	**(2,274.56)**

22. Deferred tax balances

The Group has following unused tax losses under the Income-tax Act for which no deferred tax asset has been recognised:

Nature of tax loss	Financial Year	Gross amount as at 31 March 2018 (Rs. in Lakhs)	Expiry date
Business Losses	2015-16	364.23	2022-23
	2016-17	451.81	2023-24
	2017-18	868.89	2025-26
Unabsorbed depreciation	2015-16	1.51	NA
	2016-17	2.00	NA
	2017-18	3.10	NA

No deferred tax liability has been recognised in respect of undistributed earnings of the subsidiaries as in the opinion of the management, the parent is able to control the timing of the temporary differences and the temporary differences will not reverse in the foreseeable future.

(Rs. in Lakhs)

Particulars	As at 31 March 2018	As at 31 March 2017
23: Other Liabilities		
Non-current		
Income received in advance	5,493.12	6,722.79
Total	**5,493.12**	**6,722.79**
Current		
Advances received from customers	4,075.37	116.94
Income received in advance	1,197.66	1,207.58
Statutory dues and taxes payable	1,076.30	2,402.53
Total	**6,349.33**	**3,727.05**
24: Current borrowings		
Unsecured borrowings		
From banks		
- Working capital demand loans	-	1,510.48
Inter-corporate deposits from holding company	16,145.96	16,606.81
	16,145.96	18,117.29
Less: Disclosed under Note 20: Other current financial liabilities -		
- Interest accrued	(269.82)	(1,376.29)
Total	**15,876.14**	**16,741.00**

For terms of repayment and securities etc., Refer Note 19A

(Rs. in Lakhs)

Particulars	As at 31 March 2018	As at 31 March 2017
25: Trade payables		
Current		
- Dues to micro and small enterprises	69.26	110.59
- Dues to others	32,568.57	36,251.71
Total	**32,637.83**	**36,362.30**

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

Particulars	2017-2018	2016-2017
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 on the 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	430.87	403.65
Interest paid to suppliers 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	77.78	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 Group.

26: Current tax liabilities (Net)		
Current tax liability		
Provision for Income tax (net of payments)	0.08	22.06
Total	**0.08**	**22.06**

(Rs. in Lakhs)

Particulars	2017-2018	2016-2017
27: Revenue from Operations		
Sale of services	32,947.68	69,925.25
Other operating revenue	3,833.57	55.71
Total	**36,781.25**	**69,980.96**
28: Other Income		
a) Interest income		
Interest income calculated using the effective interest method:		
On fixed deposits with banks	155.57	116.04
On Inter-corporate deposits	0.09	-
On long term investment	-	0.02
Other interest income		
On Income tax refunds	1.11	0.02
	156.77	**116.08**
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	**191.73**	**230.87**

(Rs. in Lakhs)

Particulars	2017-2018	2016-2017
29: EPC, O&M, Common infrastructure facility and site development expenses		
Construction material consumed	544.80	15,607.34
Cost of booster packages	3,642.86	-
Equipments & machinery hire charges	2,678.51	9,655.58
Subcontractor cost	5,253.69	13,289.55
Cost of lands	3,278.55	2,721.90
O&M repairs	3,361.10	1,431.52
Legal & professional fees & expenses	429.90	1,133.61
Stores and spares consumed	364.15	224.51
Rates & taxes and regulatory fees	379.40	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	294.63
Total	**24,381.06**	**48,768.47**
30: Changes in inventories of work in progress		
Opening inventory		
Project development, erection and commissioning work	23,203.18	23,980.61
Common infrastructure faciltlies	382.40	382.40
	23,585.58	**24,363.01**
On acquistion through business combinations	-	740.17
Less : Closing inventory		
Project development, erection and commissioning work	17,788.52	23,203.18
Common infrastructure faciltlies	382.40	382.40
	18,170.92	**23,585.58**
(Increase) / decrease In stock	**5,414.66**	**1,517.60**
31: 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
Total	**3,561.93**	**3,816.05**

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

(Rs. in Lakhs)

Particulars	2017-2018	2016-2017
32: Finance costs		
a) Interest on financial liabilities carried at amortised cost		
Interest on borrowings	4,203.65	1,954.84
b) Interest on income tax	53.03	102.57
c) Other borrowing costs	332.27	175.49
d) Unwinding cost of compounding financial instrument	1,997.17	1,815.70
	6,586.12	**4,048.60**
Less: Interest capitalized	71.28	202.94
Total	**6,514.84**	**3,845.66**

The capitalisation rate of funds borrowed is 12% p.a. (previous year in the range of 10.50% to 12% p.a.)

Particulars	2017-2018	2016-2017
33: Depreciation and amortisation expense		
Depreciation of property, plant and equipment	1,655.61	921.95
Amortisation of intangible assets	7.77	7.79
Total	**1,663.38**	**929.74**
34: Other Expenses		
Directors' sitting fees	8.80	11.40
Rent	33.85	14.42
Legal and professional fees and expenses	188.44	48.15
Allowance for expected credit losses	8.18	66.98
Sales commission	10.47	520.82
Liquidated damages (net of recovery of Nil (previous year Rs. 1500 lakhs))	924.81	1,805.34
Net loss on derivative portion of compound financial instrument	1,573.16	-
Loss on sale / disposal of property, plant and equipment	-	17.48
Miscellaneous expenses	714.80	425.69
Total	**3,462.51**	**2,910.28**

35. Earnings per share

Particulars	2017-2018	2016-2017
Basic earning/(loss) per share		
Profit/(loss) for the year (Rs. in Lakhs)	(5,664.32)	5,047.35
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.)	(11,328.64)	10,094.70
Diluted earning/(loss) per share		
Profit/(loss) for the year (Rs. in Lakhs)	(5,664.32)	5,047.35
Add: Expenses on debentures	1,997.17	1,739.25
Adjusted Profit/(loss) for diluted EPS	(3,667.15)	6,786.60
Weighted average number of equity shares- (Nos.)	43,48,32,609	39,58,73,307
Nominal value of each share (in Rs.)	10.00	10.00
Diluted earnings/(loss) per share (Rs.)	(11,328.64)	1.48

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

36. Financial Instruments

(i) Capital management

The Group 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 Group consists of net debt (borrowings as detailed in notes 19 and 24 offset by cash and bank balances) and total equity of the Group.

The Group is not subject to any externally imposed capital requirements. The Group has complied with lending covenants throughout the reporting period.

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

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

Particulars	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)	2,355.88	3,865.91
Net debt	**94,967.98**	**76,834.47**
Total equity	180.02	5,790.64
Net debt to equity ratio	**52754.13%**	**1326.87%**

(ii) Categories of financial instruments

	As at 31 March 2018	As at 31 March 2017
(a) Financial assets		
Measured at amortised cost		
(a) Cash and bank balances	4,727.40	6,551.90
(b) Trade receivables	24,396.29	40,540.69
(c) Loans	1,269.14	1,414.90
(d) Investments	-	0.28
(e) Other financial assets	28,998.13	17,560.38
	59,390.96	**66,068.15**
(b) Financial liabilities		
Measured at fair value through profit or loss (FVTPL)		
Derivative financial liabilities	2,651.24	3,078.08
Measured at amortised cost		
(a) Borrowings	97,323.86	80,700.38
(b) Trade payables	32,637.83	36,362.30
(c) Other financial liabilities	5,924.16	5,917.44
	1,35,885.85	**1,22,980.12**

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

(iii) Financial risk management

The Group'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 Group's operations. The Group's principle financial assets includes trade and other receivables, cash and bank balances, derived directly from its operations. The Group is exposed to market risk, credit risk and liquidity risk.

36. Financial Instruments

(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 Group does not have any foreign currency exposure and hence is not subject to foreign currency risks. The entire borrowing of the Group is at a fixed rate. Hence the Group is not subject to any interest rate risks. Further, the Group does not have any investments other than strategic investments in subsidiaries and investment in NSC and hence is not subject to other price risks.

(v) Interest rate risk management

The Group 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 Group has insignificant variable interest bearing borrowings, the exposure to the risk of changes in market interest rate is minimal.

(vi) Other price risks

The Group does not have investment in equity instruments, other than investments in subsidiaries and associates which are held for strategic rather than trading purposes. The Group does not actively trade these investments. Hence the Group'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 Group. 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 Group’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 Group 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	27,275.68
181-365 days	6,105.74	4,550.32
Above 365 days	7,128.38	8,863.69
Gross trade receivables	**24,553.47**	**40,689.69**

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	149.00	82.02
Movement in expected credit loss allowance	8.18	66.98
Balance at end of the year	**157.18**	**149.00**

36. Financial Instruments

b) Loans and Other Receivables

The Group applies expected credit losses (ECL) model for measurement and recognition of loss allowance on the loans given by the Group 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 Group expects to receive (i.e., all cash shortfalls), discounted at the original effective interest rate.

The Group 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, which has established an appropriate liquidity risk management framework for the management of the Group's short, medium and long-term funding and liquidity management requirements. The Group manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

Liquidity risk table

The following tables detail the Group'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 Group 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 Group 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
Borrowings	40,765.55	54,856.06	-	95,621.61
Trade payables	32,637.83	-	-	32,637.83
Derivative financial liabilities	-	2,651.24		2,651.24
Other financial liabilities	7,626.41	-	-	7,626.41
	81,029.79	57,507.30	-	1,38,537.09

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
Borrowings	26,491.00	52,636.84	-	79,127.84
Trade payables	36,362.30	-	-	36,362.30
Derivative financial liabilities	-	3,078.08		3,078.08
Other financial liabilities	7,489.98	-	-	7,489.98
	70,343.28	55,714.92	-	1,26,058.20

The above liabilities will be met by the Group from internal accruals, realization of current and non-current financial assets (other than strategic investments). Further, the Group also has unutilised financing facilities

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

(ix) Fair Value of the Entity'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 (Refer Note 20)	(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 Group 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 Group 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 Group's defined benefit plan is unfunded.

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

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:

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 income	**(82.55)**	**(1.65)**
Total	**12.98**	**69.58**

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 Mortality	

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 Group to actuarial risks such as interest rate risk and salary risk.

a) Interst 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.

37. Employee benefits:

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.

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 increased/(decrease) in liability by Rs.(-)15.91 lakhs (31 March 2017: 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	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 Mortality	

38: Contingent liabilities

(a) Claims against the Group not acknowledged as debts: claims made by contractors - Rs. 3,350.40 lakhs (as at 31 March 2017: 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 suppliera 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.

39: 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)

40: Operating lease arrangements

a) Leasing arrangements in respect of operating lease for office premises / residential premises:
The Group'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 Consolidated Statement of Profit and Loss.

41: 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 wind farm development services and hence there is only one reportable business segment in terms of Ind AS 108: Operating Segment.

Revenue from major products and services (Rs. in Lakhs)

Particulars	2017-2018	2016-2017
(a) Sale of services		
Project development services	48.70	534.34
Erection, procurement & commissioning services	15,557.28	58,118.73
Operation & maintenance services	16,205.03	10,190.75
Common infrastructure facility services	1,136.67	1,081.43
(b) Other operating revenue		
Sale of booster packages	3,642.86	-
Others	190.71	55.71
Total	**36,781.25**	**69,980.96**

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).

42. Income tax recognised in Statement of Profit and Loss

(Rs. in Lakhs)

Particulars	2017-2018	2016-2017
Current tax		
In respect of the current year	-	2,346.75
Minimum Alternate Tax (MAT) credit	-	(2,320.05)
Taxation pertaining to earlier years	12.65	-
	12.65	**26.70**
Deferred tax		
In respect of the current year	(2,365.14)	3,349.98
Taxation pertaining to earlier years	(10.15)	-
	(2,375.29)	**3,349.98**
Total income tax expense recognised in the current year	**(2,362.64)**	**3,376.68**

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

Particulars	2017-2018	2016-2017
Profit before tax	(8,026.96)	8,424.03
Income tax expense calculated at 34.608% (2015-2016: 34.608%)	(2,777.97)	2,915.39
Effect of expenses that are not deductible in determining taxable profits	290.58	452.50
Effect on deferred tax balances due to the change in income tax rate from 34.608% to 34.944% (previous year - from 33.063% to 34.608%)	21.34	(22.87)
Deferred tax on losses of subsidiaries not recognised	21.07	16.91
Others	79.84	14.75
	(2,365.14)	3,376.68
Taxation pertaining to earlier years	2.50	-
Income tax expense recognised in Statement of Profit and Loss	**(2,362.64)**	**3,376.68**

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 consolidated financial statements for the year ended 31 March 2018

43. Related Party Disclosures:

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

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

Key Management Personnel (KMP)
Mr. Manoj Dixit - whole-time director in Inox Wind Infrastructure Services Limited
Mr. Vineet Davis - whole-time director in Inox Wind Infrastructure Services Limited
Mr. Mukesh Manglik - Non Executive Director in Inox Wind Infrastructure Services Limited
Mr. Bhupesh Juneja - Non Executive Director in Marut Shakti Energy India Limited
Mr. Mukesh Patni - Non Executive Director in Marut Shakti Energy India Limited

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

Name of the Company	Date of incorpration	Accounted as "associate" w.e.f.
Wind Two Renergy Private Limited	20-04-2017	30-12-2017
Wind Four Renergy Private Limited	21-04-2017	30-12-2017
Wind Five Renergy Private Limited	20-04-2017	30-12-2017
Khatiyu Wind Energy Private Limited	17-11-2017	12-03-2018
Ravapar Wind Energy Private Limited	20-11-2017	12-03-2018
Nani Virani Wind Energy Private Limited	20-11-2017	12-03-2018

Fellow Subsidiaries
Inox Renewables Limited (IRL) - Subsidiary of GFL
Inox Renewables (Jaisalmer) Limited - Subsidiary of IRL
Inox Leisure Limited (ILL) - Subsidiary of GFL

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

43. Related Party Disclosures:

The following table summarizes related-party transactions and balances included in the consolidated financial statements:

(Rs. in Lakhs)

Particulars	Holding company		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
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**	**15,118.75**			**1,143.54**	**1,089.07**	**9,182.15**	**16,207.82**
Purchase of goods and services								
Inox Wind Limited	4,623.00	-					4,623.00	-
Inter-corporate deposits taken								
Inox Wind Limited	54,795.70	1,08,695.82					54,795.70	1,08,695.82
Inter-corporate deposits refunded								
Inox Wind Limited	54,160.57	1,01,851.74					54,160.57	1,01,851.74
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**	**-**
Inter-corporate deposits given								
Wind Two Energy Pvt. Ltd.			0.55	-			0.55	-
Wind Four Energy Pvt. Ltd.			0.55	-			0.55	-
Wind Five Energy Pvt. Ltd.			0.55	-			0.55	-
Total			**1.65**	**-**			**1.65**	**-**

43. Related Party Disclosures:

(Rs. in Lakhs)

Particulars	**Holding company**		**Associates**		**Fellow subsidiaries**		**Total**	
A) Transactions during the year-cont.	**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								
Wind Two Energy Pvt. Ltd.			0.02	-			0.02	-
Wind Four Energy Pvt. Ltd.			0.02	-			0.02	-
Wind Five Energy Pvt. Ltd.			0.02	-			0.02	-
Total			**0.06**	**-**			**0.06**	**-**
Reimbursement of expenses paid/payment made on								
behalf of the Group								
Inox Wind Limited	8.42	5.36					8.42	5.36
Inox Renewables Limited					-	140.94	-	140.94
Total	**8.42**	**5.36**			**-**	**140.94**	**8.42**	**146.30**
Reimbursement of expenses received/payment made								
on behalf by the Group								
Inox Wind Limited	458.07	135.73					458.07	135.73
Inox Renewables Limited					7.81	49.32	7.81	49.32
Inox Renewables (Jaisalmer) Limited					1.36	-	1.36	-
Total	**458.07**	**135.73**			**9.17**	**49.32**	**467.24**	**185.05**

INOX WIND INFRASTRUCTURE SERVICES LIMITED

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

43. Related Party Disclosures:

(Rs. in Lakhs)

Particulars	Holding company		Associates		Fellow subsidiaries		Total	
B) Balance as at the end of the year	**31 Mar 2018**	**31 Mar 2017**	**31 Mar 2018**	**31 Mar 2017**	**31 Mar 2018**	**31 Mar 2017**	**31 Mar 2018**	**31 Mar 2017**
a) Amounts payable								
Trade and other payables								
Inox Wind Limited	7,050.19	-					7,050.19	-
Inox Renewables Limited	-	-			2,449.77	175.12	2,449.77	175.12
Total	**7,050.19**	**-**			**2,449.77**	**175.12**	**9,499.96**	**175.12**
Inter-corporate deposit payable								
Inox Wind Limited	15,876.14	15,241.00					15,876.14	15,241.00
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) Amount receivable								
Trade receivable								
Inox Wind Limited	-	2,508.86					-	2,508.86
Inox Renewables Limited	-	-			376.47	-	376.47	-
Inox Renewables (Jaisalmer) Limited	-	-			149.97	-	149.97	-
Total	**-**	**2,508.86**			**526.44**	**-**	**526.44**	**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**	**-**

(Rs. in Lakhs)

43. Related Party Disclosures:

Particulars	Holding company		Associates		Fellow subsidiaries		Total	
B) Balance as at the end of the year	**31 Mar 2018**	**31 Mar 2017**	**31 Mar 2018**	**31 Mar 2017**	**31 Mar 2018**	**31 Mar 2017**	**31 Mar 2018**	**31 Mar 2017**
Inter-corporate deposit receivable								
Wind Two Energy Pvt. Ltd.			0.85	-			0.85	-
Wind Four Energy Pvt. Ltd.			0.85	-			0.85	-
Wind Five Energy Pvt. Ltd.			0.85	-			0.85	-
Total			**2.55**	**-**			**2.55**	**-**
Interest on Inter-corporate deposit receivable								
Wind Two Energy Pvt. Ltd.			0.03	-			0.03	-
Wind Four Energy Pvt. Ltd.			0.03	-			0.03	-
Wind Five Energy Pvt. Ltd.			0.03	-			0.03	-
Total			**0.09**	**-**			**0.09**	**-**
Other dues Payable								
Gujarat Fluorochemicals Limited	219.55	-					219.55	-
Other dues receivable								
Inox Renewables Limited					123.28	-	123.28	-

43. 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 Inox Wind Infrastructure Services Limited. 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/provision of goods and services.
(c) No expense has been recognised for the year ended 31 March 2018 and 31 March 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

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	8.80	11.40
Total	**74.11**	**76.90**

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.
Contribution to provident Fund (defined contribution plan) is Rs. 3.24 lakhs (previous year Rs. 3.24 lakhs) included in the amount of remuneration reported above.

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

44: Details of subsidiaries

Name of subsidiary	Place of incorporation and operations	Proportion of ownership interest and voting power held by the Group	
		As at 31 March 2018	As at 31 March 2017
A) Subsidiaries of IWISL:			
Marut Shakti Energy India Limited	India	100.00%	100.00%
Satviki Energy Private Limited	India	100.00%	100.00%
Sarayu Wind Power (Tallimadugula) Private Limited	India	100.00%	100.00%
Vinirrmaa Energy Generation Private Limited	India	100.00%	100.00%
Sarayu Wind Power (Kondapuram) Private Limited	India	100.00%	100.00%
RBRK Investments Limited	India	100.00%	100.00%
Wind One Renergy Private Limited	India	100.00%	-
Wind Three Renergy Private Limited	India	100.00%	-
Vasuprada Renewables Private Limited	India	100.00%	-
Suswind Power Private Limited	India	100.00%	-
Ripudaman Urja Private Limited	India	100.00%	-
Vibhav Energy Private Limited	India	100.00%	-
Haroda Wind Energy Private Limited	India	100.00%	-
Vigodi Wind Energy Private Limited	India	100.00%	-
Aliento Wind Energy Private Limited	India	100.00%	-
Tempest Wind Energy Private Limited	India	100.00%	-
Flurry Wind Energy Private Limited	India	100.00%	-
Vuelta Wind Energy Private Limited	India	100.00%	-
Flutter Wind Energy Private Limited	India	100.00%	-

All subsidiaries of IWISL are engaged in the business of providing wind farm development services.

The financial year of the above companies is 1 April to 31 March.

There are no restrictions on the Parent or the subsidiaries' ability to access or use the assets and settle the liabilities of the Group.

See Note 7 in respect of particulars of subsidiary companies which have become 'associate' on cessation of control during the year.

Acquisitions :
During the year ended 31 March 2017, RBRK had become a subsidiary w.e.f. 28 August 2016 on acquisition of the entire share capital of RBRK by IWISL. Consequently, the financial results of RBRK were included in the CFS from 29 August 2016 on the basis of the financial statements prepared and certified by RBRK's management for the period ended on 28 August 2016.

INOX WIND INFRASTRUCTURE SERVICES LIMITED

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

45: Disclosure of additional information as required by the Schedule III:

(a) As at and for the year ended 31 March 2018

(Rs.in Lakhs)

Name of the entity in the Group	Net Assets, i.e., total assets minus total liabilities		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated other comprehensive income	Amount	As % of consolidated other comprehensive income	Amount
Parent								
Inox Wind Infrastructure Services Limited	(318.83%)	(573.95)	102.22%	(5,789.93)	100.00%	53.70	102.24%	(5,736.23)
Subsidiaries (Group's share)								
Indian								
Marut Shakti Energy India Limited	(761.02%)	(1,369.97)	5.48%	(310.16)	0.00%	-	5.53%	(310.16)
Sarayu Wind Power (Tallimadugula) Private Limited	(44.79%)	(80.63)	0.34%	(19.39)	0.00%	-	0.35%	(19.39)
Sarayu Wind Power (Kondapuram) Private Limited	(15.35%)	(27.63)	0.27%	(15.19)	0.00%	-	0.27%	(15.19)
Satviki Energy Private Limited	43.18%	77.74	0.02%	(1.08)	0.00%	-	0.02%	(1.08)
Vinirrmaa Energy Generation Private Limited	(50.90%)	(91.62)	0.64%	(35.99)	0.00%	-	0.64%	(35.99)
RBRK Investments Limited	(252.41%)	(454.38)	8.86%	(501.94)	0.00%	-	8.95%	(501.94)
Wind One Renergy Private Limited	(0.14%)	(0.25)	0.02%	(1.25)	0.00%	-	0.02%	(1.25)
Wind Three Renergy Private Limited	(0.14%)	(0.25)	0.02%	(1.25)	0.00%	-	0.02%	(1.25)
Ripudaman Urja Private Limited	(0.09%)	(0.17)	0.02%	(1.17)	0.00%	-	0.02%	(1.17)
Suswind Power Private Limited	(0.09%)	(0.17)	0.02%	(1.17)	0.00%	-	0.02%	(1.17)
Vasuprada Renewables Private Limited	(0.10%)	(0.18)	0.02%	(1.18)	0.00%	-	0.02%	(1.18)
Vibhav Energy Private Limited	0.02%	0.03	0.02%	(0.97)	0.00%	-	0.02%	(0.97)
Haroda Wind Energy Private Limited	0.24%	0.44	0.01%	(0.56)	0.00%	-	0.01%	(0.56)
Vigodi Wind Energy Private Limited	0.26%	0.47	0.01%	(0.53)	0.00%	-	0.01%	(0.53)
Aliento Wind Energy Private Limited	0.32%	0.58	0.01%	(0.42)	0.00%	-	0.01%	(0.42)
Tempest Wind Energy Private Limited	0.32%	0.57	0.01%	(0.43)	0.00%	-	0.01%	(0.43)
Flurry Wind Energy Private Limited	0.32%	0.57	0.01%	(0.43)	0.00%	-	0.01%	(0.43)
Vuelta Wind Energy Private Limited	0.32%	0.57	0.01%	(0.43)	0.00%	-	0.01%	(0.43)
Flutter Wind Energy Private Limited	0.32%	0.57	0.01%	(0.43)	0.00%	-	0.01%	(0.43)
Wind Two Renergy Private Limited(*)			0.01%	(0.83)	0.00%	-	0.01%	(0.83)
Wind Four Renergy Private Limited(*)			0.01%	(0.83)	0.00%	-	0.01%	(0.83)
Wind Five Renergy Private Limited(*)			0.01%	(0.83)	0.00%	-	0.01%	(0.83)
Nani Virani Wind Energy Private Limited(*)			0.00%	-	0.00%	-	0.00%	-
Ravapar Wind Energy Private Limited(*)			0.00%	-	0.00%	-	0.00%	-
Khatiyu Wind Energy Private Limited(*)			0.00%	-	0.00%	-	0.00%	-
Non-controlling Interest in subsidiaries	0.00%	-	-	-	-	-	-	-
Associates								
Wind Two Renergy Private Limited	(0.56%)	(1.00)	0.00%	(0.17)	0.00%	-	0.00%	(0.17)
Wind Four Renergy Private Limited	(0.56%)	(1.00)	0.00%	(0.17)	0.00%	-	0.00%	(0.17)
Wind Five Renergy Private Limited	(0.56%)	(1.00)	0.00%	(0.17)	0.00%	-	0.00%	(0.17)
Nani Virani Wind Energy Private Limited	(0.19%)	(0.35)	0.01%	(0.35)	0.00%	-	0.01%	(0.35)
Ravapar Wind Energy Private Limited	(0.19%)	(0.35)	0.01%	(0.35)	0.00%	-	0.01%	(0.35)
Khatiyu Wind Energy Private Limited	(0.19%)	(0.35)	0.01%	(0.35)	0.00%	-	0.01%	(0.35)
Consolidation eliminations / adjustments	1500.81%	2,701.73	(18.07%)	1,023.63	0.00%	-	(18.25%)	1,023.63
Total	100.00%	180.02	100.00%	(5,664.32)	100.00%	53.70	100.00%	(5,610.62)

(*) See Note 7

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

45: Disclosure of additional information as required by the Schedule III:

(b) As at and for the year ended 31 March 2017

(Rs.in Lakhs)

Name of the entity in the Group	Net Assets, i.e., total assets minus total liabilities		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated other comprehensive income	Amount	As % of consolidated other comprehensive income	Amount
Parent								
Inox Wind Infrastructure Services Limited	89.15%	5,162.28	81.48%	4,112.55	100.00%	1.08	81.48%	4,113.63
Subsidiaries (Group's share)								
Indian								
Marut Shakti Energy India Limited	(18.30%)	(1,059.81)	(8.08%)	(407.61)	0.00%	-	(8.07%)	(407.61)
Sarayu Wind Power (Tallimadugula) Private Limited	(1.06%)	(61.24)	(0.10%)	(5.21)	0.00%	-	(0.10%)	(5.21)
Sarayu Wind Power (Kondapuram) Private Limited	(0.21%)	(12.44)	(0.06%)	(2.88)	0.00%	-	(0.06%)	(2.88)
Satviki Energy Private Limited	1.36%	78.82	(0.03%)	(1.45)	0.00%	-	(0.03%)	(1.45)
Vinirrmaa Energy Generation Private Limited	(0.96%)	(55.63)	(0.92%)	(46.63)	0.00%	-	(0.92%)	(46.63)
RBRK Investments Limited	0.82%	47.56	1.09%	54.83	0.00%	-	1.09%	54.83
Non-controlling Interest in subsidiaries		-	0.00%	-	0.00%	-	0.00%	-
Consolidation eliminations / adjustments	29.20%	1,691.10	26.62%	1,343.75	0.00%	-	26.61%	1,343.75
Total	100.00%	5,790.64	100.00%	5,047.35	100.00%	1.08	100.00%	5,048.43

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

46: Corporate Social Responsibilities (CSR)

(a) The gross amount required to be spent by the Group 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