

Independent Auditor's Report to the members of Sarayu Wind Power (Kondapuram) Private Limited

Report on the Ind AS Financial Statements

We have audited the accompanying Ind AS financial statements of **Sarayu Wind Power (Kondapuram) Private Limited** ("the Company"), which comprise the Balance Sheet as at 31 March 2017, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended and a summary of the significant accounting policies and other explanatory information ("Ind AS financial statements").

Management's Responsibility for the Ind AS Financial Statements

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

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

Auditor's Responsibility

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

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

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



Independent auditor's report to the members of Sarayu Wind Power (Kondapuram) Private Limited on the Ind AS financial statements for the year ended 31 March 2017(continued)

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

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Ind AS, of the financial position of the Company as at 31 March 2017, financial performance including other comprehensive income, its cash flows and changes in equity for the year ended on that date.

Emphasis of Matters

We draw attention to Note 2.3 to the financial statements which indicate that the Company has accumulated losses and its net worth is fully eroded, the Company has incurred net cash loss during the current and previous year and the Company's current liabilities exceed its current assets as at the balance sheet date. These conditions indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. However, the financial statements of the Company have been prepared on a going concern basis for the reasons stated in the said Note.

Our opinion is not modified in respect of the above matter.

Other matters

The opening balance sheet as at 1 April 2015 included in these Ind AS financial statements is based on the previously issued statutory financial statements prepared in accordance with the Companies (Accounting Standards) Rules, 2014, audited by the predecessor auditor whose report for the year ended 31 March 2015 dated 1 September 2015 expressed an unmodified opinion on those financial statements, as adjusted for the differences in the accounting principles adopted by the Company on transition to the Ind AS, which have been audited by us.

Report on Other Legal and Regulatory Requirements

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



Independent auditor's report to the members of Sarayu Wind Power (Kondapuram) Private Limited on the Ind AS financial statements for the year ended 31 March 2017(continued)

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

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- (c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash Flow and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
- (d) In our opinion, the aforesaid Ind AS financial statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act.
- (e) The going concern matter described under the Emphasis of Matter paragraph above, in our opinion, may have an adverse effect on the functioning of the Company.
- (f) On the basis of the written representations received from the directors as on 31 March 2017, taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2017, from being appointed as a director in terms of Section 164 (2) of the Act.
- (g) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in Annexure II.
- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company does not have any pending litigations which would impact its financial position;
 - ii. The Company did not have any long-term contracts including derivative contracts;
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company; and
 - iv. The Company did not hold or dealt in Specified Bank Notes during the period from 8 November 2016 to 30 December 2016.

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

S S Agrawal
Partner
Membership No. 049051

Place: Noida
Date: 11 May 2017



Annexure I to Independent auditor's report to the members of Sarayu Wind Power (Kondapuram) Private Limited on the Ind AS financial statements for the year ended 31 March 2017 – referred to in paragraph 1 under the heading "Report on Other Legal and Regulatory Requirements" of our report of even date.

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

1. The Company does not have any fixed assets and hence the provisions of clause 3(i) of the Order are not applicable to the Company.
2. In view of nature of the inventories viz. wind farms under development, the provisions of clause 3(ii) of the Order are considered as not applicable to the Company.
3. The Company has not granted any loan, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013 and hence the provisions of clause 3(iii) of the Order are not applicable to the Company.
4. The Company has not granted any loans, or made any investments, or provided any guarantees or security to the parties covered under section 185 and 186 of the Companies Act, 2013 and hence the provisions of clause 3(iv) of the Order are not applicable to the Company.
5. The Company has not accepted any deposits within the meaning of section 73 to 76 of the Companies Act, 2013 and the Rules framed thereunder and hence the provisions of clause 3(v) of the Order are not applicable to the Company.
6. The Central Government has not prescribed maintenance of cost records under section 148(1) of the Companies Act, 2013 for the activities of the Company and hence the provisions of clause 3(vi) of the Order are not applicable to the Company.
7. The Company is generally regular in depositing with appropriate authorities undisputed statutory dues in respect of income-tax. No payments were due in respect of provident fund, employee's state insurance, sales tax, service-tax, duty of customs, duty of excise, value added tax and cess. There are no undisputed amounts payable in respect of such statutory dues which were in arrears as at 31 March 2017 for a period of more than six months from the date they become payable.

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

8. The Company does not have any borrowings from financial institutions or bank or Government or by way of debentures and hence the provisions of clause 3(viii) of the Order are not applicable to the Company.



Annexure I to Independent auditor's report to the members of Sarayu Wind Power (Kondapuram) Private Limited on the Ind AS financial statements for the year ended 31 March 2017 (continued)

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

Place: Noida
Date: 11 May 2017



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



S S Agrawal
Partner
Membership No. 049051

Annexure II to Independent auditor's report to the members of Sarayu Wind Power (Kondapuram) Private Limited on the Ind AS financial statements for the year ended 31 March 2017 – referred to in paragraph 2(g) under the heading "Report on Other Legal and Regulatory Requirements" of our report of even date.

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

We have audited the internal financial controls over financial reporting of **Sarayu Wind Power (Kondapuram) Private Limited** ("the Company") as of 31 March 2017, in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note 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 over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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



Annexure II to Independent auditor's report to the members of Sarayu Wind Power (Kondapuram) Private Limited on the Ind AS financial statements for the year ended 31 March 2017 (continued)

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

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting


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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by ICAI.

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




S S Agrawal
Partner
Membership No. 049051

Place: Noida
Date: 11 May 2017

Sarayu Wind Power (Kondapuram) Private Limited
Balance Sheet as at 31 March 2017

					(Amount in Rs.)
Particulars	Note No.	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015	
ASSETS					
1 Current assets					
(a) Inventories	6	11,028,640	9,847,000	-	
(b) Financial Assets					
(i) Cash and cash equivalents	7	12,610	24,109	21,289	
Total Current Assets		11,041,250	9,871,109	21,289	
Total Assets		11,041,250	9,871,109	21,289	
EQUITY AND LIABILITIES					
Equity					
(a) Equity Share capital	8	100,000	100,000	100,000	
(b) Other Equity	9	(1,344,096)	(1,055,077)	(985,261)	
Total equity		(1,244,096)	(955,077)	(885,261)	
LIABILITIES					
1 Non-current liabilities					
(a) Financial Liabilities					
(i) Borrowings	10	-	-	887,000	
Total Non - Current Liabilities		-	-	887,000	
2 Current liabilities					
(a) Financial Liabilities					
(i) Borrowings	10	10,919,917	10,787,000	-	
(ii) Other financial liabilities	11	1,171,961	12,767	-	
(b) Other current liabilities	12	193,468	26,419	19,550	
Total Current Liabilities		12,285,346	10,826,186	19,550	
Total Equity and Liabilities		11,041,250	9,871,109	21,289	

The accompanying notes are an integral part of the financial statements

As per our report of even date attached

For Patankar & Associates

Chartered Accountants

S S Agrawal
S S Agrawal
Partner

Place: Noida
Date : 11 May 2017



For and on behalf of the Board of Directors

Bhupesh Juneja
Bhupesh Juneja
Director

Vineet Davis
Vineet Davis
Director

Place: Noida
Date : 11 May 2017

Sarayu Wind Power (Kondapuram) Private Limited
Statement of Profit and Loss for the year ended 31 March 2017

Particulars	Note No.	(Amount in Rs.)	
		2016-17	2015-16
Revenue from operations		-	-
Total Income		-	-
Expenses			
Wind farm development expenses	13	-	9,847,000
Changes in work-in-progress	14	(1,181,640)	(9,847,000)
Finance costs	15	1,302,179	14,186
Other expenses	16	168,480	55,630
Total Expenses		289,019	69,816
Loss for the year		(289,019)	(69,816)
Total comprehensive income for the year		(289,019)	(69,816)
Basic and Diluted Loss per equity share of Rs. 10 each	23	(28.90)	(6.98)

The accompanying notes are an integral part of the financial statements

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


S S Agrawal
Partner

Place : Noida
Date : 11 May 2017



For and on behalf of the Board of Directors
of Sarayu Wind Power (Kondapuram) Private Limited


Bhupesh Juneja
Director

Place: Noida
Date : 11 May 2017


Vineet Davis
Director

Sarayu Wind Power (Kondapuram) Private Limited
Statement of Cash flows as on 31 March 2017

(Amount in Rs.)

Particulars	2016-17	2015-16
Cash flows from operating activities		
Loss for the year	(289,019)	(69,816)
Adjustments for:		
Finance costs	1,302,179	14,186
Operating profit/(loss) before working capital changes	1,013,160	(55,630)
Movements in working capital:		
Inventories	(1,181,640)	(9,847,000)
Other liabilities	167,049	6,869
Net cash used in operating activities	(1,431)	(9,895,761)
Income taxes paid	-	-
Net cash used in operating activities	(1,431)	(9,895,761)
Cash flows from financing activities		
Inter-corporate deposit received	132,917	10,787,000
Inter-corporate deposit and loan from director repaid	-	(887,000)
Interest paid	(142,984)	(1,419)
Net cash generated/(used in) from financing activities	(10,067)	9,898,581
Net increase/(decrease) in cash and cash equivalents	(11,498)	2,820
Cash and cash equivalents at the beginning of the year	24,109	21,289
Cash and cash equivalents at the end of the year	12,610	24,109

Notes:

1. The above statement of cash flows has been prepared under the Indirect method.
2. Components of cash and cash equivalents are as per note 7
3. The accompanying notes are an integral part of the financial statements.

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



S S Agrawal
Partner

Place : Noida
Date : 11 May 2017



For and on behalf of the Board of Directors



Bhupesh Juneja
Director

Place : Noida
Date : 11 May 2017


Vineet Bavis
Director

Sarayu Wind Power (Kondapuram) Private Limited
Statement of Changes in Equity for the year ended 31 March 2017

A. Equity Share Capital

Particulars	Amount in Rs.
Balance at 1 April 2015	100,000
Changes in equity share capital during the year	-
Balance at March 31 March 2016	100,000
Changes in equity share capital during the year	-
Balance at 31 March 2017	100,000

B. Other Equity

(Amount in Rs.)

Particulars	Reserves & Surplus	Total
	Retained Earnings	
Balance at April 1 2015	(985,261)	(985,261)
Loss for the year	(69,816)	(69,816)
Total comprehensive income for the year	(69,816)	(69,816)
Balance at 31 March 2016	(1,055,077)	(1,055,077)
Loss for the year	(289,019)	(289,019)
Total comprehensive income for the year	(289,019)	(289,019)
Balance at March 31 2017	(1,344,096)	(1,344,096)

As per our report of even date attached

For Patankar & Associates

Chartered Accountants



S S Agrawal
Partner



Place: Noida
Date : 11 May 2017

For and on behalf of the Board of Directors



Bhupesh Juneja
Director



Vineet Davis
Director

Place: Noida
Date : 11 May 2017

Sarayu Wind Power (Kondapuram) Private Limited

Notes to the financial statements for the year ended 31 March 2017

1. Company information

Sarayu Wind Power (Kondapuram) Private Limited (the "Company") is engaged in the business of providing wind farm development services and also provides common infrastructure and Erection, Procurement and Commissioning (EPC) services for wind turbine generators (WTGs). The Company is a wholly owned subsidiary of Inox Wind Infrastructure Services Limited. The area of operations of the Company is within India.

The Company's registered office is located at H. No. 8-3-960/6/2 Flat No. 301, "Wings", Srinagar Colony, Hyderabad, Telangana, India.

2. Statement of compliance and basis of preparation and presentation

2.1 Statement of Compliance

These financial statements are prepared in accordance with Indian Accounting Standards ("Ind AS") notified under section 133 of the Companies Act, 2013, read together with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015.

Upto the year ended 31 March 2016, the Company prepared its financial statements in accordance with the requirements of Accounting Standards notified under the Section 133 of the Companies Act, 2013, read together with Rule 7 of the Companies (Accounts) Rules, 2014 ('previous GAAP'). These are the Company's first Ind AS financial statements. The date of transition to Ind AS is 1 April 2015. Refer Note 4 for the details of mandatory exceptions and optional exemptions on first-time adoption availed by the Company.

2.2 Basis of Measurement

These financial statements are presented in Indian Rupees (INR), which is also the Company's functional currency.

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

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

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

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

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



Notes to the financial statements for the year ended 31 March 2017

2.3 Basis of Preparation and Presentation

Going Concern

The accumulated losses of the Company have fully eroded the Shareholder's funds, the Company has incurred net cash loss during the current and previous year and the Company's current liabilities exceed its current assets as at the balance sheet date. The Company is in the process of setting up Wind Farm. In view of the continuing financial and other support by the holding company and the nature of business of the Company, the financial statements of the Company are prepared on going concern basis.

The financial statements have been prepared on accrual basis. The accounting policies are applied consistently to all the periods presented in the financial statements, including the preparation of the opening Ind AS Balance Sheet as at 1 April 2015 being the 'date of transition to Ind AS'.

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

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

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

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

These financial statements were authorized for issue by the Company's Board of Directors on 11 May 2017.

3. Significant Accounting Policies

3.1 Revenue recognition

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

3.1.1 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. The stage of completion is assessed by reference to surveys of work performed.

Revenue from EPC is recognised on the basis of stage of completion by reference to surveys of work performed. 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. Revenue from common infrastructure facilities is recognized pro-rata over the period of the contract as per the terms of contract.



Notes to the financial statements for the year ended 31 March 2017

3.1.2 Other income

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

3.2 Borrowing costs

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

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

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

3.3 Taxation

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

3.3.1 Current tax

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

3.3.2 Deferred tax

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

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

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

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



Notes to the financial statements for the year ended 31 March 2017

3.3.3 Presentation of current and deferred tax :

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

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

3.4 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. Net realisable value represents the estimated selling price in the ordinary course of business less all estimated costs of completion and costs necessary to make the sale.

3.5 Provisions and contingencies

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

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. If the effect of time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

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

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

3.6 Financial instruments

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



Notes to the financial statements for the year ended 31 March 2017

A] Financial assets

a) Initial recognition and measurement:

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

b) Effective interest method:

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

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

c) Subsequent measurement:

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

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

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

i. Financial assets measured at amortized cost:

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

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

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

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

ii. Financial assets measured at FVTOCI:

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

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

This category does not apply to any of the financial assets of the Company.



Notes to the financial statements for the year ended 31 March 2017

iii. Financial assets measured at FVTPL:

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

d) Derecognition:

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

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

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

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

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

e) Impairment of financial assets:

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

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

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

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

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



Notes to the financial statements for the year ended 31 March 2017

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive (i.e., all cash shortfalls), discounted at the original effective interest rate.

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

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

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

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

B] Financial liabilities and equity instruments:

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

i. Equity instruments:-

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

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

ii. Financial Liabilities:-

a) Initial recognition and measurement :

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

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.

However, financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies, financial guarantee contracts issued by the Company, and commitments issued by the Company to provide a loan at below-market interest rate are measured in accordance with the specific accounting policies set out below.



Notes to the financial statements for the year ended 31 March 2017

The Company has not designated any financial liability as at FVTPL. Further the Company does not have any commitments to provide a loan at a below market interest rate.

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.

3.7 Earnings Per Share

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

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

3.8 Recent accounting pronouncements

In March 2017, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) (Amendments) Rules, 2017, notifying amendments to Ind AS 7, 'Statement of cash flows'. The amendment is applicable to the Company from 1 April 2017.

The amendment to Ind AS 7 Statement of Cash Flows requires the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the balance sheet for liabilities arising from financing activities, to meet the disclosure requirement. The effect on the financial statements is being evaluated by the Company.

4 First-time adoption – mandatory exceptions and optional exemptions

Overall principle

The Company has prepared the opening balance sheet as per Ind AS as of 1 April 2015 (the transition date) by recognising all assets and liabilities whose recognition is required by Ind AS, not recognising items of assets or liabilities which are not permitted by Ind AS, by reclassifying items from previous GAAP to Ind AS as required under Ind AS, and applying Ind AS in measurement of recognised assets and liabilities.

However, this principle is subject to the certain mandatory exceptions and optional exemptions allowed by Ind AS 101 First-time Adoption of Indian Accounting Standards and availed by the Company as detailed below.

I. Optional exemptions from retrospective application:

The Company was not required to avail any optional exemptions.



Sarayu Wind Power (Kondapuram) Private Limited

Notes to the financial statements for the year ended 31 March 2017

II. Mandatory exceptions from retrospective application:

The Company has applied the following exceptions to the retrospective application of Ind AS as mandatorily required under Ind AS 101:

a) Estimates:

On assessment of the estimates made under the previous GAAP financial statements, the Company has concluded that there is no necessity to revise the estimates under Ind AS, as there is no objective evidence of an error in those estimates. However, estimates that were required under Ind AS but not required under Previous GAAP are made by the Company for the relevant reporting dates reflecting conditions existing as at that date.

b) Classification and measurement of financial assets:

The classification of financial assets to be measured at amortised cost or fair value through other comprehensive income is made on the basis of the facts and circumstances that existed on the date of transition to Ind AS.

c) Impairment of financial assets

The Company has applied the impairment requirements of Ind AS 109 Financial Instruments retrospectively; however, as permitted by Ind AS 101 First-time Adoption of Indian Accounting Standards, it has used reasonable and supportable information that is available without undue cost or effort to determine the credit risk at the date that financial instruments were initially recognised in order to compare it with the credit risk at the transition date. Further, the Company has not undertaken an exhaustive search for information when determining, at the date of transition to Ind ASs, whether there have been significant increases in credit risk since initial recognition, as permitted by Ind AS 101.

d) Derecognition of financial assets and financial liabilities:

The Company has applied the derecognition requirements of financial assets and financial liabilities prospectively for transactions occurring on or after 1 April 2015 (the transition date).

5 Critical accounting judgements and use of estimates

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

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



Sarayu Wind Power (Kondapuram) Private Limited
Notes to the financial statements for the year ended 31 March 2017

8: Equity Share Capital

Particulars	(Amount in Rs.)		
	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Authorised share capital: 50,000 equity shares of Rs. 10 each	500,000	500,000	500,000
Issued, Subscribed and fully paid up: 10,000 equity shares of Rs. 10 each	100,000	100,000	100,000
	100,000	100,000	100,000

a) Terms/ rights 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.

b) Shares held by holding company

	As at 31-Mar-2017		As at 31-Mar-2016		As at 1 April, 2015	
	No. of shares	Amount	No. of shares	Amount	No. of shares	Amount
Inox Wind Infrastructure Services Limited	10,000	100,000	10,000	100,000	-	-

c) Details of shares held by each shareholder holding more than 5% shares

	As at 31 March, 2017		As at 31 March, 2016		As at 1 April, 2015	
	No. of Shares	% of holding	No. of Shares	% of holding	No. of Shares	% of holding
Inox Wind Infrastructure Services Limited (*)	10,000	100%	10,000	100%	-	-
GVBK Raju	-	-	-	-	5,000	50%
MAS Raju	-	-	-	-	5,000	50%

(*) Includes shares held by nominee shareholders



Sarayu Wind Power (Kondapuram) Private Limited
Notes to the financial statements for the year ended 31 March 2017

9: Other Equity

Particulars	(Amount in Rs.)	
	As at 31 March 2017	As at 31 March 2016
Retained earnings	(1,344,096)	(1,055,077)
Total	(1,344,096)	(1,055,077)

Particulars	(Amount in Rs.)	
	As at 31 March 2017	As at 31 March 2016
Balance at beginning of year	(1,055,077)	(985,261)
Loss for the year	(289,019)	(69,816)
Balance at the end of the year	(1,344,096)	(1,055,077)



Sarayu Wind Power (Kondapuram) Private Limited
Notes to the financial statements for the year ended 31 March, 2017

(Amount in Rs.)

Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
6: Inventories (for basis of valuation, please refer note no. 3.4)			
Work-in-progress	11,028,640	9,847,000	-
Total	11,028,640	9,847,000	-
7: Cash and cash equivalents			
Balances with banks			
In current account	12,610	24,109	17,973
Cash in hand	-	-	3,316
Total	12,610	24,109	21,289



10: Borrowings**Non-Current****Unsecured Borrowings - at amortised cost**

Loan from Director	-	-	87,000
Inter Corporate Deposit	-	-	800,000
Total	-	-	887,000

The above long term borrowings were interest free.

10: Borrowings**Current****Unsecured Borrowings - at amortised Cost**

Inter-corporate deposit from holding company *

10,919,917	10,787,000	
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Total

10,919,917	10,787,000	-
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*Inter-corporate deposit is repayable on demand and carries interest rate @ 12% p.a.

11: Other financial liabilities**Current**

Interest accrued and due on borrowings

1,171,961	12,767	-
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Total

1,171,961	12,767	-
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12: Other Current Liabilities

Statutory dues and taxes payable

135,718	1,419	-
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Others

57,750	25,000	19,550
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Total

193,468	26,419	19,550
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Sarayu Wind Power (Kondapuram) Private Limited
Notes to the financial statements for the year ended 31 March 2017

Particulars	(Amount in Rs.)	
	Year ended 31 March, 2017	Year ended 31 March, 2016
13: Wind-farm development expenses		
Regulatory fees	-	8,702,000
Legal & Professional Fees & Expenses	-	1,145,000
Total	-	9,847,000
14: Changes in work in progress		
Work-in-progress at the beginning of the year	9,847,000	-
Work-in-progress at the end of the year	11,028,640	9,847,000
Net (increase) / decrease	(1,181,640)	(9,847,000)
15: Finance Costs		
Interest on financial liabilities carried at amortised cost		
-Inter-corporate deposit from holding company	1,302,179	14,186
Total	1,302,179	14,186
Note:		
Out of total finance costs, interest amount transferred to work in progress	1,181,640	-
16: Other Expenses		
Legal and professional fees and expenses	126,316	25,000
Miscellaneous expenses	42,164	30,630
Total	168,480	55,630



Sarayu Wind Power (Kondapuram) Private Limited
Notes to the financial statements for the year ended 31 March 2017

17: Payment to Auditors

(Amount in Rs.)

Particulars	2016-17	2015-2016
Statutory Audit	50,000	25,000

Note : The above amounts are exclusive of service tax.

18: Segment information

The Company is engaged in the business of providing wind farm development services and also provides common infrastructure services and erection, procurement and commissioning services for WTGs which is the only business segment in terms of IND AS-108: Operating segment. Further, all the activities of the Company are in India and hence there is a single geographical segment.

19: Related party transactions

(i) Where control exists:

Inox Wind Infrastructure Services Limited (IWISL)- the holding company (w.e.f. 25 March 2016)

Inox Wind Limited (IWL)- holding company of IWISL

Gujarat Fluorochemicals Limited (GFL)- holding company of IWL

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. G.V.B.K. Raju- Director (upto 25th March 2016)

Enterprise over which KMP has significant influence:

Harith Urja Private Limited (upto 25th March 2016)

(iii) Particulars of transactions

(Amount in Rs.)

Particulars	Holding Company		Key Management Personnel/Enterprise over which KMP has significant Influence		Total	
	2016-17	2015-16	2016-17	2015-16	2016-17	2015-16
A) Transactions during the year						
a) Inter-corporate deposit/loan taken						
Inox Wind Infrastructure Services Limited	132,917	10,787,000	-	-	132,917	10,787,000
b) Interest expenses						
Inox Wind Infrastructure Services Limited	1,302,179	14,186	-	-	1,302,179	14,186
c) Repayment of Loan						
Mr. G.V.B.K. Raju	-	-	-	87,000	-	87,000
Harith Urja Private Limited	-	-	-	800,000	-	800,000
Sub total	-	-	-	887,000	-	887,000

	Holding Company			Total		
	2016-17	2015-16	2014-15	2016-17	2015-16	2014-15
B) Outstanding balances as at the end of the year- Amount Payable						
a) Inter-corporate deposit/loan taken						
Inox Wind Infrastructure Services Limited	10,919,917	10,787,000	-	10,919,917	10,787,000	-
Sub total	10,919,917	10,787,000	-	10,919,917	10,787,000	-
b) Interest payable						
Inox Wind Infrastructure Services Limited	1,171,961	12,767	-	1,171,961	12,767	-



Sarayu Wind Power (Kondapuram) Private Limited

Notes to the financial statements for the year ended 31 March 2017

	Key Management Personnel/Enterprise over which KMP has significant influence			Total		
	2016-17	2015-16	2014-15	2016-17	2015-16	2014-15
B) Outstanding balances as at the end of the year- Amount Payable						
a) Inter-corporate deposit/loan taken						
Mr. G.V.B.K. Raju	-	-	87,000	-	-	87,000
Harith Urja Private Limited	-	-	800,000	-	-	800,000
Sub total	-	-	887,000	-	-	887,000

Notes:

The Company has been provided inter corporate deposits at rate comparable to the average commercial rate of interest of holding company. These loans are unsecured.

20: Financial Instruments

(i) Capital management

The Company is wholly owned by its parent company and it does not have any external borrowings and is not subject to any externally imposed capital requirements.

(ii) Categories of financial instruments

(Amount in Rs.)

Particulars	As at	As at	As at
	31 March 2017	31 March 2016	1 April 2015
Financial assets			
Measured at amortised cost			
(a) Cash and bank balances (including cash and bank balances)	12,610	24,109	21,289
Financial liabilities			
Measured at amortised cost			
(a) Borrowings	10,919,917	10,787,000	887,000
(b) Other financial liabilities	1,171,961	12,767	-

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

(iii) Financial risk management objectives

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

The risk profile of the Company is as under:

a) Market risk:

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

b) Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company has adopted a policy of only dealing with creditworthy counterparties as a means of mitigating the risk of financial loss from defaults. The credit risk is further mitigated since the Company's operations are part of Group's business with customers who have long term contracts and thereby the risk of default is substantially minimised.

c) Liquidity risk management

Ultimate responsibility for Company's liquidity risk management rests with the board of directors and its holding company. The Company generally manages liquidity risk by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities and if needed, financial support of holding company.

The following tables details the remaining contractual maturity for its financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the company can be required to pay. The tables include both interest and principal cash flows. The contractual maturity is based on the earliest date on which the Company may be required to pay.



Sarayu Wind Power (Kondapuram) Private Limited

Notes to the financial statements for the year ended 31 March 2017

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

(Amount in Rs.)

Particulars	Upto 1 year	1-3 years	5+ years	Total contractual cash flows	Carrying amount
Borrowings and interest thereon	12,091,878			12,091,878	12,091,878

The table below provides details regarding the contractual maturities of financial liabilities including estimated interest payments as at 31 March, 2016:

(Amount in Rs.)

Particulars	Upto 1 year	1-3 years	5+ years	Total contractual cash flows	Carrying amount
Borrowings and interest thereon	10,799,767			10,799,767	10,799,767

The table below provides details regarding the contractual maturities of financial liabilities including estimated interest payments as at 01 April, 2015:

(Amount in Rs.)

Particulars	Upto 1 year	1-3 years	5+ years	Total contractual cash flows	Carrying amount
Borrowings and interest thereon	-	887,000	-	887,000	887,000

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

(iv) Financial instrument measured at Amortised Cost

The carrying amount of financial assets and financial liabilities measured at amortized cost in the financial statement are a reasonable approximation of their fair values since the Company does not anticipate that the carrying amounts would be significantly different than the values that be eventually received or paid.

21: Prior period items

The Company has restated the financial statements for the year 2014-15 to give effect to the following prior period items:

Capital work in progress as on the date of transition included expenses of Rs. 8,80,000, which were not eligible to be recognised as capital work in progress and hence were written off during the year ended 31 March 2016 under previous GAAP. This amount is now adjusted to opening retained earnings.

Similarly, deferred tax assets of Rs. 7,435 as on date of transition, was written off during the year ended 31st March 2016 under previous GAAP. This amount is now adjusted to opening retained earnings.

The effect of above on the basic and diluted EPS is Rs. 88.74 per share of Rs. 10 each.

22. Transactions in Specified Bank Notes (SBNs)

Particulars	Specified Bank notes (old Currency notes 500 &)	Other than Demonetized Notes	Total
Closing cash in hand as on 8 November 2016	Nil	Nil	Nil
(+) Permitted Receipts	Nil	Nil	Nil
(-) Permitted payments	Nil	Nil	Nil
(-) Amount deposited in banks	Nil	Nil	Nil
Closing cash in hand as on 30 December 2016	Nil	Nil	Nil

23: Earning per share

Particulars	2016-17	2015-16
Basic and diluted earnings per share:		
Net profit attributable to equity shareholders	(289,019)	(69,816)
Number of fully paid equity shares at end of the year	10,000	10,000
Nominal value of equity share(Rs.)	10	10
Basic and diluted loss per equity share(Rs)	(28.90)	(6.98)



Sarayu Wind Power (Kondapuram) Private Limited
Notes to the financial statements for the year ended 31 March 2017

24. Income tax recognised in profit or loss

Particulars	(Amount in Rs.)	
	2016-17	2015-16
Current tax	-	-
Deferred tax	-	-
Total income tax expense	-	-

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

Particulars	(Amount in Rs.)	
	2016-17	2015-16
Loss before tax	(289,019)	(69,816)
Income tax calculated at 30.90% (2015-2016: 30.90%)	(89,307)	(21,573)
Effect of unrecognized tax losses	89,307	21,573
Income tax expense recognised in profit or loss	-	-

The tax rate used for the 2016-17 and 2015-2016 reconciliations above is the corporate tax rate of 30.90% payable by corporate entities in India on taxable profits under the Indian tax law.

b. The Company has following unused tax losses and unused tax credit under the Income-tax Act for which no deferred tax asset has been recognised:

Nature of tax loss or tax credit	Financial Year	(Amount in Rs.)	
		Gross amount as at 31 March 2017	Expiry date
Business loss	2015-16	69,816	31-Mar-24
Business loss	2016-17	289,018	31-Mar-25



25. First-time Ind AS adoption reconciliations

25.1 Effect of Ind AS adoption on the balance sheet as at 31 March, 2016 and 1 April, 2015:

(Amount in Rs.)

Particulars	Note	As at 31 March 2016			As at 1 April 2015		
		Previous GAAP	Effect of transition to Ind AS	As per Ind AS balance sheet	Previous GAAP	Effect of transition to Ind AS	As per Ind AS balance sheet
Non-current assets							
(a) Capital work-in-progress	a)	-	-	-	880,000	(880,000)	-
(b) Deferred tax assets (Net)		-	-	-	7,435	(7,435)	-
Total non-current assets		-	-	-	887,435	(887,435)	-
Current assets							
(a) Inventories		9,847,000	-	9,847,000			
(b) Cash and cash equivalents		24,109	-	24,109	21,289	-	21,289
Total current assets		9,871,109	-	9,871,109	21,289	-	21,289
Total assets		9,871,109	-	9,871,109	908,724	(887,435)	21,289
Equity							
(a) Equity share capital		100,000	-	100,000	100,000	-	100,000
(b) Other equity	25.4	(1,055,077)	-	(1,055,077)	(97,826)	(887,435)	(985,261)
Total equity		(955,077)	-	(955,077)	2,174	(887,435)	(885,261)
Liabilities							
Non-current liabilities							
Borrowings			-		887,000	-	887,000
Total non-current Liabilities		-	-		887,000	-	887,000
Current liabilities							
(a) Financial Liabilities							
(i) Borrowings		10,787,000	-	10,787,000			
(ii) Other financial liabilities		12,767	-	12,767			
(b) Other current liabilities		26,419	-	26,419	19,550	-	19,550
Total current liabilities		10,826,136	-	10,826,136	19,550	-	19,550
Total equity and liabilities		9,871,109	-	9,871,109	908,724	(887,435)	21,289



Sarayu Wind Power (Kondapuram) Private Limited
Notes to the financial statements for the year ended 31 March, 2017

First-time Ind AS adoption reconciliations

25.2 Effect of Ind AS adoption on the statement of profit and loss for the year ended 31 March 2016:

(Amount in Rs.)

Particulars	Note	Year ended 31 March, 2016		
		Previous GAAP	Effect of transition to Ind AS	Ind AS
Revenue from operations		-	-	-
Total Revenue		-	-	-
Expenses				
EPC, O&M, Common Infrastructure Facility and Site Development expenses		9,847,000	-	9,847,000
Changes in inventories of work in progress		(9,847,000)	-	(9,847,000)
Finance costs		14,186	-	14,186
Other expenses	a)	935,630	(880,000)	55,630
Total expenses		949,816	(880,000)	69,816
Profit before tax		(949,816)	880,000	(69,816)
Tax expense:				
Deferred tax	a)	7,435	(7,435)	-
Loss for the year		(957,251)	887,435	(69,816)
Total comprehensive income for the year		(957,251)	887,435	(69,816)



Sarayu Wind Power (Kondapuram) Private Limited
Notes to the financial statements for the year ended 31 March 2017

25.3 Effect of Ind AS adoption on the statement of cash flows for the year ended 31 March 2016

(Amount in Rs.)

Particulars	Year ended 31 March 2016		
	Previous GAAP	Effect of transition to Ind AS	Ind AS
Net cash flows from operating activities	(9,895,761)	-	(9,895,761)
Net cash flows from investing activities	-	-	-
Net cash flows from financing activities	9,898,581	-	9,898,581
Net increase (decrease) in cash and cash equivalents	2,820	-	2,820
Cash and cash equivalents at the beginning of the period	21,289	-	21,289
Cash and cash equivalents at the end of the period	24,109	-	24,109

Analysis of cash and cash equivalents as at 31 March 2016 and as at 1 April 2015 for the purpose of statement of cash flows under Ind AS:

(Amount in Rs.)

Particulars	As at 31 March 2016	As at 1 April 2015
Cash and cash equivalents for the purpose of statement of cash flows as per previous GAAP	24,109	21,289
Cash and cash equivalents for the purpose of statement of cash flows under Ind AS	24,109	21,289



Sarayu Wind Power (Kondapuram) Private Limited
Notes to the financial statements for the year ended 31 March 2017

First time Ind AS adoption reconciliations

25.4 Equity reconciliation

(Amount in Rs.)

Particulars	Notes	As at 31 March 2016	As at 1 April 2015
Total equity / shareholders' funds under previous GAAP		(1,055,077)	(97,826)
Adjustments:			
Prior period item	a)	-	(887,435)
Total adjustment to equity		-	(887,435)
Total equity under Ind AS		(1,055,077)	(985,261)

25.5 Profit reconciliation

(Amount in Rs.)

Particulars	Notes	2015-16
Net profit under previous GAAP		(957,251)
Prior period item	a)	887,435
Net loss under Ind AS		(69,816)

a) Prior period items

Capital work in progress as on the date of transition included expenses of Rs. 8,80,000, which were not eligible to be recognised as capital work in progress and hence were written off during the year ended 31 March 2016 under previous GAAP. This amount is now adjusted to opening retained earnings.

Similarly, deferred tax assets of Rs. 7,435 as on date of transition, was written off during the year ended 31st March 2016 under previous GAAP. This amount is now adjusted to opening retained earnings.

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

S S Agrawal
Partner

Place: Noida
Date : 11 May 2017



For and on behalf of the Board of Directors

Bhupesh Juneja
Director

Vineet Davis
Director

Place: Noida
Date : 11 May 2017