

INDO RAMA RENEWABLES JATH LIMITED

INDEPENDENT AUDITOR'S REPORT To The Members of Indo Rama Renewables Jath Limited Report on the Ind AS Financial Statements

We have audited the accompanying Ind AS financial statements of Indo Rama Renewable Jath Limited ("the Company"), which comprise the Balance Sheet as at 31st March, 2017, and the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Ind AS Financial Statements

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

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

We conducted our audit of the Ind AS financial statements 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.

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 obtained by us 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, of the state of affairs of the Company as at 31st March, 2017, and its loss, total comprehensive loss, its cash flows and the changes in equity for the year ended on that date.

Other Matter

The comparative financial information of the Company for the year ended 31st March 2016 and the transition date opening balance sheet as at 1st April 2015 included in these Ind AS financial statements, are based on the statutory financial statements prepared in accordance with the Companies (Accounting Standards) Rules, 2006 audited by the predecessor auditor whose report for the year ended 31st March 2016 and 31st March 2015 dated 28th April, 2016 and 18th May, 2015 respectively expressed an unmodified opinion on those financial statements, and have been restated to comply with Ind AS. Adjustments made to the previously issued said financial information prepared in accordance with the Companies (Accounting Standards) Rules, 2006 to comply with Ind AS have been audited by us.

Our opinion on the financial statements and our report on Other Legal and Regulatory Requirements below is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act and based on our audit we report, to the extent applicable 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 and the reports of the other auditors.
 - c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Cash Flow Statement 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) On the basis of the written representations received from the directors as on 31st March, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2017 from being appointed as a director in terms of Section 164(2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
- 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, as amended, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations on its financial position in its Ind AS financial statements.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
 - iv. The Company did not have any holdings or dealings in Specified Bank Notes as defined in the Notification S.O. 307(E) dated the 8th November, 2016 of the Ministry of Finance, during the period from 8th November, 2016 to 30th December, 2016.
2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For DELOITTE HASKINS & SELLS LLP
Chartered Accountants
(Firm's Registration No. 117366W /W-100018)



Gurvinder Singh
Partner
(Membership Number: 110128)

MUMBAI, 5th May, 2017

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Report on the Internal Financial Controls Over Financial Reporting 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 **Indo Rama Renewable Jath Limited** ("the Company") as of 31st March, 2017 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to 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 Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial Controls 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, to the best of our information and according to the explanations given to us, 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 31st March, 2017, based on the internal control over financial reporting criteria established by the respective Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For DELOITTE HASKINS & SELLS LLP
Chartered Accountants
(Firm Registration No. 117366W/W - 100018)



Gurvinder Singh
Partner
(Membership Number: 110128)

MUMBAI, 5th May, 2017

ANNEXURE "B" TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

- (i) In respect of its fixed assets:
 - (a) The company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - (b) The fixed assets were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanation given to us, no material discrepancies were noticed on such verification.
 - (c) According to the information and explanations given to us and the records examined by us and based on the examination of the registered sale deed provided to us, we report that, the title deeds, comprising the immovable properties of land which are freehold, are held in the name of the Company as at the balance sheet date.
- (ii) The Company does not have any inventory and hence reporting under clause (ii) of the CARO 2016 is not applicable.
- (iii) According to the information and explanations given to us, the company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of companies Act, 2013.
- (iv) In our opinion and according to the information and explanations given to us, the Company has not granted any loans, made investments or provided guarantees and hence reporting under clause (iv) of the CARO 2016 is not applicable.
- (v) According to the information and explanations given to us, the Company has not accepted any deposit during the year. The Company does not have unclaimed deposits as at 31st March, 2017 and accordingly, provisions of Sections 73 to 76 or any other relevant provisions of the Companies Act are not applicable to the Company.
- (vi) The maintenance of cost records has been specified by the central government under section 148(1) of the companies Act, 2013 for Generation of electricity regulated by the relevant regulatory body or authority under the Electricity Act, 2003 (36 of 2003), other than for captive generation (as defined under the Electricity Rules, 2005). We have broadly reviewed the cost records maintained by the company pursuant to the companies (cost records and Audit) Rules, 2014, as amended prescribed by the central Government under sub section (1) of section 148 of companies Act, 2013, and are of the opinion that, prima facie, the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.



(vii) According to the information and explanations given to us in respect of statutory dues:

(a) The company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Cess and other material statutory dues applicable to it with the appropriate authorities.

(b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Cess and other material statutory dues in arrears as at 31st March, 2017 for a period of more than six months from the date they became payable.

(c) Details of dues of income tax which have not been deposited as on 31st March, 2017 on account of disputes are given below:

Name of the statute	Nature of the dues	Amount In Lakh	Period to which the amount relates	Forum where pending
Income Tax Act, 1961	Tax	393.60	Financial Year 2013-14	Commissioner of Income Tax (Appeals) level

(viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to financial institutions, banks and government and dues to debenture holders.

(ix) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or term loans and hence reporting under clause of the Order is not applicable.

(x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year.

(xi) In our opinion and according to the information and explanations given to us, the Company has paid / provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.

(xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the CARO 2016 Order is not applicable.

(xiii) In our opinion and according to the information and explanations given to us the Company is in compliance with Section 188 and 177 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable Indian accounting standards.

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- (xiv) During the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of the Order is not applicable to the Company.
- (xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or persons connected with him and hence provisions of section 192 of the Companies Act, 2013 are not applicable.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For DELOITTE HASKINS & SELLS LLP
Chartered Accountants
(Firm Registration No. 117366W/W - 100018)



Gurvinder Singh
Partner
(Membership Number: 110128)

MUMBAI, 5th May, 2017

Indo Rama Renewables Jath Limited

Balance sheet as at 31st March, 2017

Amount in ₹ Lakh

	Notes	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
ASSETS				
Non-current assets				
(a) Property, plant and equipment	3	16,414.63	17,930.25	19,445.87
(b) Non-current tax assets (Net)		124.15	40.22	-
(c) Deferred tax asset (net)	4	-	-	-
(d) Other Non-current Assets	5A	22.36	8.98	-
Total non-current assets		16,561.14	17,979.45	19,445.87
Current assets				
(a) Financial assets				
(i) Investments	6	430.94	968.58	1,234.54
(ii) Trade receivables	7	2,695.71	1,379.05	532.68
(iii) Unbilled revenue		232.50	174.41	165.24
(iv) Cash and cash equivalents	8	539.92	45.53	4.21
(b) Other current assets	5B	104.05	109.05	0.20
Total current assets		4,003.12	2,676.62	1,936.87
TOTAL ASSETS		20,564.26	20,656.07	21,382.74
EQUITY AND LIABILITIES				
Equity				
(a) Equity share capital	9	6,030.00	6,030.00	6,030.00
(b) Other equity	10	(607.19)	(361.36)	(52.89)
Total Equity		5,422.81	5,668.64	5,977.11
Liabilities				
Non-current liabilities				
(a) Financial liabilities				
(i) Borrowings	11	-	12,506.78	14,401.05
Total non-current liabilities		-	12,506.78	14,401.05
Current liabilities				
(a) Financial liabilities				
(i) Borrowings	12	15,089.63	-	-
(ii) Trade payables	26	35.40	55.93	0.99
(iii) Other financial liabilities	13	-	2,392.15	979.73
(b) Other current liabilities	14	16.42	32.57	23.86
Total current liabilities		15,141.45	2,480.65	1,004.58
Total liabilities		15,141.45	14,987.43	15,405.63
TOTAL EQUITY AND LIABILITIES		20,564.26	20,656.07	21,382.74

See accompanying notes forming part of the financial statements

For DELOITTE HASKINS & SELLS LLP
Chartered Accountants



Gurvinder Singh
Partner

For and on behalf of the Board,



Nandakumar Tirumalai
Director



Vasudev Naik
Director



Anand Solanki
Chief Financial Officer



Mona Purandare
Company Secretary

Mumbai, 5th May, 2017.

Mumbai, 5th May, 2017.

Indo Rama Renewables Jath Limited

Statement of profit and loss for the year ended 31st March, 2017

Amount in ₹ Lakh

	Notes	For the year ended 31st March, 2017	For the year ended 31st March, 2016
I Revenue from operations	15	3,618.26	3,650.74
II Other income	16	47.69	93.53
III Total income		3,665.95	3,744.27
IV Expenses			
Employee benefits expense	17	1.22	7.05
Finance costs	18	1,966.75	2,375.26
Depreciation and amortisation expenses	3	1,515.62	1,515.62
Other expenses	19	428.19	154.81
Total expenses		3,911.78	4,052.74
V Loss before tax		(245.83)	(308.47)
VI Tax expense			
Current tax		-	-
Deferred tax		-	-
VII Loss for the year		(245.83)	(308.47)
VIII Other comprehensive income		-	-
IX Total comprehensive income / (expense) for the year (VII + VIII)		(245.83)	(308.47)
X Loss per equity share (face value ₹ 10 per share)			
Basic (₹)	24	(0.41)	(0.51)
Diluted (₹)	24	(0.41)	(0.51)

See accompanying notes forming part of the financial statements

For DELOITTE HASKINS & SELLS LLP
Chartered Accountants



Gurvinder Singh
Partner

For and on behalf of the Board,



Nandakumar Tirumalai
Director



Vasudev Naik
Director



Anand Solanki
Chief Financial Officer



Mona Purandare
Company Secretary

Mumbai, 5th May, 2017.

Mumbai, 5th May, 2017.

Indo Rama Renewables Jath Limited

Statement of cash flows for the year ended 31st March, 2017

	Amount in ₹ Lakh		Amount in ₹ Lakh	
	For the year ended 31st March, 2017		For the year ended 31st March, 2016	
A. Cash Flow from Operating Activities				
Profit before tax		(245.83)		(308.47)
Adjustments for :				
Depreciation and Amortisation Expense	1,515.62		1,515.62	
Finance Cost	1,966.75		2,375.26	
Interest Income	(0.01)		(0.20)	
Net gain on Current Investments measured at FVTPL	(47.68)	3,434.68	(93.33)	3,797.35
Operating profit before working capital changes		<u>3,188.85</u>		<u>3,488.88</u>
Working Capital Adjustments				
Adjustments for (increase) / decrease in operating assets:				
Trade receivables	(1,316.66)		(846.37)	
Other current assets	5.00		(108.85)	
Other non-current assets	(13.38)		(8.98)	
Unbilled revenue	(58.09)	(1,383.13)	(9.17)	(973.37)
Adjustments for increase / (decrease) in operating liabilities:				
Trade payables	(20.53)		54.94	
Other Financial Liabilities-current	-		-	
Other current liabilities	(16.15)	(36.68)	8.71	63.65
Cash flow from operations		1,769.04		2,579.16
Income tax paid		(83.93)		(40.22)
Net cash generated by operating activities		<u>1,685.11</u>		<u>2,538.94</u>
B. Cash Flow from Investing Activities				
Purchase of Current Investments	(1,339.70)		(2,484.98)	
Proceeds from Sale of Current Investments	1,925.02		2,844.27	
Interest Received	0.01		0.20	
Net cash generated by investing activities		<u>585.33</u>		<u>359.49</u>
C. Cash flow from Financing Activities				
Finance Costs paid	(1,783.48)		(1,881.75)	
Repayment of Long term borrowings	(13,492.57)		(975.36)	
Proceeds from Short term borrowings	13,500.00		-	
Net cash used in financing activities		<u>(1,776.05)</u>		<u>(2,857.11)</u>
Net increase in cash and cash equivalents		<u>494.39</u>		<u>41.32</u>
Cash and cash equivalents at the beginning of the year		45.53		4.21
Cash and cash equivalents at the end of the year		<u>539.92</u>		<u>45.53</u>
Cash and cash equivalents comprises				
Balance with banks				
(a) in current account		539.92		45.53
(b) in deposit account		-		-
		<u>539.92</u>		<u>45.53</u>

See accompanying notes forming part of the financial statements

For DELOITTE HASKINS & SELLS LLP
Chartered Accountants

Gurvinder Singh
Partner

Mumbai, 5th May, 2017.

For and on behalf of the Board,

Nandakumar Tirumalai
Director

Anand Solanki
Chief Financial Officer

Mumbai, 5th May, 2017.

Vasudev Naik
Director

Mona Purandare
Company Secretary

Indo Rama Renewables Jath Limited

Statement of changes in equity

A. Equity Share Capital

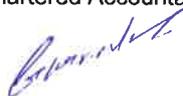
	Amount in ₹ Lakh
Balance as at 1st April, 2015	6,030.00
Changes in equity share capital during the year	-
Balance as at 31st March, 2016	6,030.00
Changes in equity share capital during the year	-
Balance as at 31st March, 2017	6,030.00

B. Other equity

	Amount in ₹ Lakh		
	Deemed equity contribution from holding company	Retained earnings	Total
Balance as at 1st April, 2015	615.05	(667.94)	(52.89)
Profit for the year	-	(308.47)	(308.47)
Total comprehensive income for the year	-	(308.47)	(308.47)
Balance as at 31st March, 2016	615.05	(976.41)	(361.36)
Profit for the year	-	(245.83)	(245.83)
Total comprehensive income for the year	-	(245.83)	(245.83)
Balance as at 31st March, 2017	615.05	(1,222.24)	(607.19)

See accompanying notes forming part of the financial statements

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants



Gurvinder Singh
Partner

For and on behalf of the Board,



Nandakumar Tirumalai
Director



Anand Solanki
Chief Financial Officer



Vasudev Naik
Director



Mona Purandare
Company Secretary

Mumbai, 5th May, 2017.

Mumbai, 5th May, 2017.

Indo Rama Renewables Jath Limited

Notes forming part of the financial statements for the year ended 31 March 2017

Note 1 Corporate information:

Indo Rama Renewables Jath Limited (hereinafter referred to as 'the Company' or 'IRRJL') was incorporated on 23 May 2012 and is engaged primarily in the business of generation and supply of energy from wind turbines. During the financial year 2013-14, the Company has commissioned 30 MW wind turbine power plant and commenced revenue operations at Jath, Maharashtra.

Tata Power Renewable Energy Limited (TPREL), a subsidiary Company of The Tata Power Company Limited has acquired 100% equity share capital of the Company comprising of 60,300,000 equity shares of Rs 10 each pursuant to the Share Purchase Agreement entered into between TPREL and Indo Rama Renewables Limited on 19 May 2016.

2. Significant accounting policies

2.1 Statement of compliance

The financial statements have been prepared in accordance with the Indian Accounting Standards ("IND AS") notified under the Companies (Indian Accounting Standards) Rules, 2015.

Upto the year ended March 31, 2016, the Company prepared its financial statements in accordance with the requirements of previous GAAP, which includes Standards notified under the Companies (Accounting Standards) Rules, 2006. This is the Company's first Ind AS financial statements. The date of transition to Ind AS is April 1, 2015. Refer note 2.15 for an explanation of how the transition from previous GAAP to Ind AS has affected the Company's financial position and financial performance.

2.2 Basis of preparation and presentation

The 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 accounting policies below.

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.

2.3 Use of estimates

The preparation of financial statements in conformity with the recognition and measurement principles of IND AS requires the management of the Company to make estimates, judgements and assumptions that affect the reported balances of assets and liabilities, disclosures relating to contingent liabilities as at the date of the financial statements and the reported amounts of income and expense for the periods presented.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and future periods are affected.

Key source of estimation of uncertainty at the date of the financial statements, which may cause a material adjustment to the carrying amounts of assets and liabilities within the next financial year, is in respect of useful lives of property, plant and equipment, valuation of deferred tax assets and provisions and contingent liabilities.

Indo Rama Renewables Jath Limited
Notes forming part of the financial statements for the year ended 31 March 2017

2.4 Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for estimated rebates and other similar allowances

2.4.1. Sale of Electricity

Revenue is recognised to the extent that it is probable that economic benefit will flow to the Company and that the revenue can be reliably measured.

Revenue from Generation of electricity is recognised on an accrual basis on the basis of billings to procurer (State Distribution Company) and includes unbilled revenues accrued upto the end of the accounting period.

2.4.2. Revenue from generation based incentive and delayed payment charges

Revenue from generation based incentives are recognised based on the number of units supplied to the buyer and when the eligibility criteria under the Indian Renewable Energy Development Agency Limited - Generation Based Incentive scheme is met.

Delayed payment charges and interest on delayed payments are recognized, on grounds of prudence when recovered.

2.4.3 Dividend and interest income

Dividend income from investments is recognised when the right to receive payment has been established.

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

2.4.4 Unbilled Revenue

Unbilled revenue represents services rendered by the Company but not invoiced as at balance sheet date.

2.5 Borrowing costs

Borrowing costs directly attributable to the acquisition or construction 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.

2.6 Taxation

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

Indo Rama Renewables Jath Limited

Notes forming part of the financial statements for the year ended 31 March 2017

2.6.1 Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible.

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

2.6.2 Deferred tax

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

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.

2.6.3 Current and deferred tax for the year

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.

2.7 Property, plant and equipment

Land and buildings held for use in the generation of electricity or for administrative purposes, are stated in the balance sheet at cost less accumulated depreciation and accumulated impairment losses. Freehold land is not depreciated.

Freehold land is measured at cost and is not depreciated.

Furniture and Fixtures and Plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses. Assets used in generation and supply of energy from renewable sources of the company covered under part B of Schedule II of the Companies Act, 2013.

The depreciation is provided on straight line method at the rates as well as methodology notified by the Maharashtra Electricity Regulatory Commission in its order dated March 22, 2013 for Determination of Generic Tariff under Regulation 8 of the Maharashtra Electricity Regulatory Commission (Terms and Conditions for determination of

Indo Rama Renewables Jath Limited

Notes forming part of the financial statements for the year ended 31 March 2017

Renewable Energy Tariff) Regulations 2010. As per the regulations, the depreciation is to be allowed upto a maximum of 90% of the Capital Cost of the asset and the depreciation rate for the first 10 years of the Tariff Period shall be 7% per annum and the remaining depreciation shall be spread over the remaining useful life of the project from 11th year onwards.

Estimated useful life of the assets are as follows:

Plant and Machinery: 25 years

Office Equipment : 5 years

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

2.8 Impairment of assets

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the Company of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

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

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

2.9 Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

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. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material). When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

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Notes forming part of the financial statements for the year ended 31 March 2017

2.10 Financial instruments

Financial assets and financial liabilities are recognised when an entity 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.

2.10.1 Financial Assets

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Classification of financial assets

Financial assets that meet the following conditions are subsequently measured at amortised cost (except for financial assets that are designated as at fair value through profit or loss on initial recognition):

- the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets that meet the following conditions are subsequently measured at fair value through other comprehensive income (except for debt instruments that are designated as at fair value through profit or loss on initial recognition):

- the asset is held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All other financial assets are subsequently measured at fair value.

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 financial assets other than those financial assets classified as at fair value through profit or loss. Interest income is recognised in the Statement of profit and Loss and is included in the "Other income" line item.

Derecognition of financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

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Notes forming part of the financial statements for the year ended 31 March 2017

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in the Statement of Profit and Loss.

Impairment of financial assets

The Company assesses at each Balance sheet date whether a financial asset or a group of financial assets is impaired. Ind AS 109 requires expected credit losses to be measured through a loss allowance. The Company recognises credit loss allowance at lifetime expected credit loss model for contract assets and / or trade receivables that do not constitute a financing transaction.

2.10.2 Financial Liabilities and Equity Instruments

Classification as debt or equity

Debt and equity instruments issued by a Company entity 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.

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 an entity are recognised at the proceeds received, net of direct issue costs.

Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at fair value through profit or loss. Financial liabilities are classified as at fair value through profit or loss when the financial liability is held for trading or it is designated as at fair value through profit or loss.

A financial liability is classified as held for trading if:

it has been incurred principally for the purpose of repurchasing it in the near term; or

on initial recognition it is part of a portfolio of identified financial instruments that the Company manages together and has a recent actual pattern of short-term profit-taking; or

it is a derivative that is not designated and effective as a hedging instrument.

Financial liabilities subsequently measured at amortised cost

Financial liabilities that are not held-for-trading and are not designated as at fair value through profit or loss are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method. Interest expense that is not capitalised as part of costs of an asset is included in the 'Finance costs' line item.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (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 financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

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Notes forming part of the financial statements for the year ended 31 March 2017

Derecognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in the Statement of Profit or Loss.

2.11 Operating Cycle

Considering the nature of business activities, the operating cycle has been assumed to have a duration of 12 months. Accordingly, all assets and liabilities have been classified as current or noncurrent as per the Company's operating cycle and other criteria set out in Ind AS 1 'Presentation of Financial Statements' and Schedule III to the Companies Act, 2013.

2.12 Contingent Liabilities

Contingent liabilities are disclosed in the financial statements by way of notes to accounts, unless possibility of an outflow of resources embodying economic benefit is remote.

2.13 Cash and cash equivalents

The Company considers all highly liquid financial instruments, which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, to be cash equivalents. Cash and cash equivalents consist of balances with banks which are unrestricted for withdrawal and usage.

2.13.1 Cash Flow Statement

Cash flows are reported using the indirect method, where by profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

2.14 Earnings per share

(i) Basic earnings per share

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the group
- by the weighted average number of equity shares outstanding during the financial year, adjusted for bonus element in equity shares issued during the year and excluding treasury shares.

(ii) Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after income tax affect of interest and other financing costs associated with dilutive potential equity shares, and
- the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

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Notes forming part of the financial statements for the year ended 31 March 2017

2.15 Explanation of transition to IND AS

The transition as at April 1, 2015 to IND AS was carried out from Previous GAAP. The reconciliations of equity and total comprehensive income in accordance with Previous GAAP to IND AS are explained below.

A. Reconciliations between Previous GAAP and IND AS

(i) Equity reconciliations

Amt. Rs. Lakh

Particulars	As at March 31, 2016	As at April 01, 2015
As reported under Previous GAAP	5,651.91	5,616.26
Adjustments under INDAS		
1) Deemed equity contribution in respect of interest free shareholder loan	476.25	476.25
2) Interest component on shareholder loan	(298.31)	(140.31)
3) Long term loan accounted as per EIRR method	(135.15)	62.32
4) Fair value of corporate guarantee	138.80	138.80
5) Mark to market of current investments	35.23	36.83
6) Deferred tax (liability) / assets	(200.09)	(213.04)
Equity Under IND AS	5,668.64	5,977.11

(ii) Net income reconciliations

Amt. Rs. Lakh

Particulars	For the year ended March 31, 2016
Net Income under Previous GAAP	35.65
Adjustments under INDAS	
Finance Cost adjustment (Upfront fees and fair value of guarantee commission amortised over term of the loans)	(197.47)
Interest on shareholder loan	(158.00)
MTM on mutual fund investment	(1.60)
Deferred tax impact	12.95
As reported under IND AS	(308.47)

Indo Rama Renewables Jath Limited

Notes forming part of the financial statements for the year ended 31 March 2017

B. The opening balance sheet as at 1st April 2015, and financial statements for the year ended 31st March 2016 has been reinstated in compliance with the IND AS. The major changes have been on account of:

(a) Interest free loan given by Indo Rama Renewables Limited

Under Indian GAAP, the Company did not account for any interest on the above loan since the loan was interest free i.e. no coupon rate specified. There is no specific accounting literature which mandates accounting of such transaction under Indian GAAP.

Under Ind AS regime the entity shall measure a financial asset or financial liability at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability. Accordingly, the Company has accounted for the said interest free loan under the effective interest rate method.

(b) Corporate Guarantee given Indo Rama Renewables Limited

Under IND AS the company accounted on fair value basis financial guarantee received from the holding company by crediting deemed equity and amortizing the same over the period of loan.

(c) Change in fair valuation of investments

Under previous GAAP, current investments were measured at lower of cost fair value and long term investments were measured at cost less diminution in value which is other than temporary. Under IND AS financial assets other than amortised cost, are measured at fair value. Investments in Mutual funds, have been classified as fair value through profit and loss and changes in fair value are recognised in statement of profit and loss.

2.16 Standards issued but not yet effective

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' and Ind AS 102, 'Share-based payment. The amendments are applicable to the Company from 1st April, 2017.

Amendment to Ind AS 7:

The amendment to Ind AS 7 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 Company is evaluating the requirements of the amendment and its impact on its cash flows, which are not expected to be material.

Amendment to Ind AS 102:

The amendment to Ind AS 102 provides specific guidance to measurement of cash-settled awards, modification of cash-settled awards and awards that include a net settlement feature in respect of withholding taxes.

It clarifies that the fair value of cash-settled awards is determined on a basis consistent with that used for equity-settled awards. Market-based performance conditions and non-vesting conditions are reflected in the 'fair values', but non-market performance conditions and service vesting conditions are reflected in the estimate of the number of awards expected to vest. Also, the amendment clarifies that if the terms and conditions of a cash-settled share-based payment transaction are modified with the result that it becomes an equity-settled share-based payment transaction, the transaction is accounted for as such from the date of the modification. Further, the amendment requires the award that include a net settlement feature in respect of withholding taxes to be treated as equity-settled in its entirety. The cash payment to the tax authority is treated as if it was part of an equity settlement.

The Company does not have any scheme of share based payments and hence the requirements of the amendment will not have any impact on the financial statements.

Indo Rama Renewables Jath Limited

Notes forming part of Financial Statements

Amount in ₹ Lakh

3. Property, Plant and Equipment

Description	Freehold Land	Plant and Equipment	Office Equipment	Total
Cost				
Balance as at 1st April, 2015	144.80	21,651.51	0.28	21,796.59
Additions	-	-	-	-
Disposals	-	-	-	-
Balance as at 31st March, 2016	144.80	21,651.51	0.28	21,796.59
Additions	-	-	-	-
Disposals	-	-	-	-
Balance as at 31st March, 2017	144.80	21,651.51	0.28	21,796.59
Accumulated depreciation and impairment				
Balance as at 1st April, 2015	-	2,350.71	0.01	2,350.72
Depreciation expense	-	1,515.61	0.01	1,515.62
Disposals	-	-	-	-
Balance as at 31st March, 2016	-	3,866.32	0.02	3,866.34
Depreciation Expense	-	1,515.61	0.01	1,515.62
Eliminated on disposal of assets	-	-	-	-
Balance as at 31st March, 2017	-	5,381.93	0.03	5,381.96
Carrying amount				
As at 1st April ,2015	144.80	19,300.80	0.27	19,445.87
As at 31st March ,2016	144.80	17,785.19	0.26	17,930.25
As at 31st March, 2017	144.80	16,269.58	0.25	16,414.63

Indo Rama Renewables Jath Limited

Notes forming part of Financial Statements

Amount in ₹ Lakh

4. Deferred Tax Balances

	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
A. Deferred Tax assets	(2,523.26)	(2,590.04)	(2,680.68)
B. Deferred Tax Liabilities	2,523.26	2,590.04	2,680.68
Deferred Tax (Asset) / Liability Net	-	-	-
2016-17	Opening Balance	Recognised in P&L	Closing Balance
Deferred tax asset relating to:			
- Unabsorbed depreciation	(2,590.04)	66.78	(2,523.26)
Deferred tax liabilities relating to:			
- Property, plant and equipment	2,518.46	3.19	2,521.65
- Financial assets measured at FVTPL	11.64	(10.03)	1.61
- Equity component shareholder loan	59.94	(59.94)	-
	-	-	-
2015-16	Opening Balance	Recognised in P&L	Closing Balance
Deferred tax asset relating to:			
- Unabsorbed depreciation	(2,680.68)	90.64	(2,590.04)
Deferred tax liabilities relating to:			
- Property, plant and equipment	2,426.29	92.17	2,518.46
- Other financial liabilities	19.01	(19.01)	-
- Financial assets measured at FVTPL	12.17	(0.53)	11.64
- Equity component shareholder loan & other borrowing at EIR	223.21	(163.27)	59.94
	-	-	-
	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Unrecognised deferred tax asset on unabsorbed depreciation (refer note 22)	(195.70)	(118.26)	(26.68)

5. Other Assets

	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
A Non - Current			
Value Added Tax Receivable	22.36	8.98	-
	22.36	8.98	-
B Current			
Prepaid Expenses	104.05	109.05	0.20
	104.05	109.05	0.20

Indo Rama Renewables Jath Limited

Notes forming part of Financial Statements

Amount in ₹ Lakh

6. Investments

	As at 31st March, 2017		As at 31st March, 2016		As at 1st April, 2015	
	Units	Amount	Units	Amount	Units	Amount
Current						
Investments carried at FVTPL						
Investments in Mutual funds (unquoted)						
L&T Ultra Short Term Fund - Direct - Growth	-	-	3,876,744	962.00	5,265,177	1,200.82
L&T Liquid Fund - Direct - Growth	-	-	316	6.58	1,758	33.72
DSP Blackrock Ultra Short Term Fund Direct Plan -Growth	2,050,354	244.16	-	-	-	-
Axis Liquid - Direct - Growth	10,357	186.78	-	-	-	-
		430.94		968.58		1,234.54

7. Trade Receivables

	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Trade Receivables-Unsecured, considered good	2,695.71	1,379.05	532.68
	2,695.71	1,379.05	532.68

Company has Energy Purchase Agreement (EPA) with Maharashtra State Electricity Distribution Company Limited (MSEDCL) for supply of its entire energy generated through wind project. Credit period on sale is 60 days from the receipt of bill by MSEDCL as per EPA. Late payment surcharge at the rate of 1.25% per month is leivable for delay in payment. Late payment surcharge are recognized, on grounds of prudence when recovered.

Age of receivables

	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Within the credit period	-	167.33	261.45
1-90 days past due	484.62	428.77	261.06
91-182 days past due	1,691.07	782.95	10.17
More than 182 days past due	520.02	-	-

8. Cash and Cash Equivalents

	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Balances with banks			
in current accounts	539.92	45.53	3.99
Cash on hand	-	*	0.22
	539.92	45.53	4.21

* Amount below ₹ 100.

Indo Rama Renewables Jath Limited

Notes forming part of Financial Statements

9 Equity Share Capital

Amount in ₹ Lakh

	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Authorised Share Capital			
61,000,000 fully paid equity shares of ₹ 10 each	6,100.00	6,100.00	6,100.00
Issued, Subscribed and fully paid up Share Capital			
60,300,000 fully paid equity shares of ₹ 10 each (as at 31st March, 2016 : 60,300,000; as at 1st April, 2015: 60,300,000).	6,030.00	6,030.00	6,030.00
Total issued, subscribed and fully paid-up	<u>6,030.00</u>	<u>6,030.00</u>	<u>6,030.00</u>

a. Reconciliation of number of shares and amount outstanding at the beginning and at the end of the reporting year

Equity shares	31st March, 2017		31st March, 2016		1st April, 2015	
	Numbers	Rupees	Numbers	Rupees	Numbers	Rupees
At the beginning of the year	60,300,000	603,000,000	60,300,000	603,000,000	60,300,000	603,000,000
Outstanding at the end of the year	<u>60,300,000</u>	<u>603,000,000</u>	<u>60,300,000</u>	<u>603,000,000</u>	<u>60,300,000</u>	<u>603,000,000</u>

b. Terms/rights attached to equity shares

The company has only one class of equity shares having a par value of Rs. 10 per share. Each equity shareholder is eligible for one vote per share held. Each equity shareholder is entitled to dividend as and when the company declares and pays dividend after obtaining shareholders approval. Dividends are paid in Indian Rupees.

In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

c. 60,300,000 shares (March 31, 2016 - 60,300,000 shares) being the entire share capital is held by Tata Power Renewable Energy Limited, the holding company. As at March 31, 2016 the entire share capital was held by previous holding company Indo Rama Renewables Limited (IRRL).

10 Other equity

Amount in ₹ Lakh

	As at 31st March, 2017	As at 31st March, 2016
A. Deemed equity contribution from holding company		
Opening Balance	615.05	615.05
Add: Transaction during the year	-	-
Closing Balance	<u>615.05</u>	<u>615.05</u>
B. Retained Earnings		
Opening Balance	(976.41)	(667.94)
Profit for the year	(245.83)	(308.47)
Closing Balance	<u>(1,222.24)</u>	<u>(976.41)</u>
Total other equity	<u>(607.19)</u>	<u>(361.36)</u>

Deemed equity is on account of interest free loan from previous holding company IRRL (Rs.476.24 lakh) and fair value of corporate guarantee (Rs 138.81 lakh) given by IRRL on secured loan from lenders.

Indo Rama Renewables Jath Limited

Notes forming part of Financial Statements

Amount in ₹ Lakh

11 Non-current Borrowings

	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Unsecured - at amortised cost			
(i) Term Loans from Related Party - the Holding Company	-	-	1,252.01
Secured - at amortised cost			
(i) Term Loan from other parties	-	12,506.78	13,149.04
	-	12,506.78	14,401.05

12 Current Borrowings

	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Unsecured at amortised cost			
Short term loan from Holding Company repayable on demand	15,089.63	-	-
	15,089.63	-	-

Current borrowings are from its holding company repayable on demand. Interest is charged at the rate of 12.62% on Rs.13,500 lakh and at the rate of 10.15% on Rs.1589.63 lakh.

13 Other Financial Liabilities

	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Current			
Current Maturities of long term debt	-	2,392.15	979.73
	-	2,392.15	979.73

14 Other Current liabilities

	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Statutory Liabilities	16.42	30.01	23.30
Payable to employee	-	0.88	0.56
Payable to Indo Rama Renewables Limited	-	1.68	-
	16.42	32.57	23.86

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Notes forming part of Financial Statements

	<i>Amount in ₹ Lakh</i>	
	<u>For the year ended 31st March, 2017</u>	<u>For the year ended 31st March, 2016</u>
15. Revenue from Operations		
(a) Revenue from Operations		
Revenue from Power Supply	3,331.55	3,361.46
	<u>3,331.55</u>	<u>3,361.46</u>
(b) Other Operating Revenue		
Generation Based Incentive	286.71	289.28
	<u>286.71</u>	<u>289.28</u>
Total	<u>3,618.26</u>	<u>3,650.74</u>
16. Other Income		
	<u>For the year ended 31st March, 2017</u>	<u>For the year ended 31st March, 2016</u>
(a) Interest Income on Financial Assets held at Amortised Cost		
Interest on Banks Deposits	0.01	0.20
	<u>0.01</u>	<u>0.20</u>
(b) Gain/(Loss) on Investments		
Net gain on Current Investment measured at FVTPL	47.68	93.33
	<u>47.68</u>	<u>93.33</u>
Total	<u>47.69</u>	<u>93.53</u>
17. Employee Benefits Expense		
	<u>For the year ended 31st March, 2017</u>	<u>For the year ended 31st March, 2016</u>
Salaries and Wages	0.83	6.94
Staff Welfare Expenses	0.39	0.11
	<u>1.22</u>	<u>7.05</u>
18 Finance Costs		
	<u>For the year ended 31st March, 2017</u>	<u>For the year ended 31st March, 2016</u>
(a) Interest Expense:		
Borrowings		
Interest on - Loans from related Parties	1,188.25	158.00
Interest on Loans - Banks & Financial Institutions	468.92	2,199.10
Interest on Loans - others	23.40	-
Loss on extinguishment of debt instrument	154.22	-
Others		
Other interest and commitment charges	5.78	-
	<u>1,840.57</u>	<u>2,357.10</u>
(b) Other Borrowing Cost:		
Other Finance Costs	126.18	18.16
	<u>126.18</u>	<u>18.16</u>
	<u>1,966.75</u>	<u>2,375.26</u>

Indo Rama Renewables Jath Limited

Notes forming part of Financial Statements

19. Other Expenses

	For the year ended 31st March, 2017	For the year ended 31st March, 2016
Rental of Land, Buildings, Plant and Equipment, etc.	0.08	-
Repairs and Maintenance	342.27	110.94
Rates and Taxes	4.54	8.22
Insurance	9.52	7.32
Other Operation Expenses	0.26	1.10
Cost of Services	30.50	-
Electricity Consumed	1.00	1.31
Travelling and Conveyance Expenses	0.01	-
Consultants' Fees	0.54	10.87
Auditors' Remuneration	8.08	3.43
Directors Sitting Fee	4.54	-
Other Fees	24.43	6.00
Miscellaneous Expenses	2.42	5.62
Total	428.19	154.81
Payment to Auditors		
	For the year ended 31st March, 2017	For the year ended 31st March, 2016
Auditors' remuneration (inclusive of service tax):		
Audit fees	5.75	1.15
Tax Audit	1.18	-
OPE	0.10	-
Other Services	1.05	2.28
	8.08	3.43

Indo Rama Renewables Jath Limited

Notes forming part of Financial Statements

20 Contingent Liabilities:

Taxation Matters in respect of which the company is in appeal and provision is not made for Rs. 463.60 lakh (31st March, 2016 - Rs.NIL). Rs.70 lakh has been deposited under protest against this appeal.

21 Capital Commitment :

As on reporting date there are no capital commitment.

22 Income Tax:

Current tax expense for the year ended 31st March 2017 is NIL. The company is entitled to income tax exemption under section 80IA of the Income tax Act 1961. As per section 80IA, the company can claim income tax exemption for any ten consecutive years out of fifteen years beginning from the year in which company starts its operation. The company may avail the aforesaid exemption in the future years. Accordingly, the company has not recognised any deferred tax on the tax losses incurred for the year ended 31 March 2017. The amount of unrecognized deferred tax asset is Rs.195.70 lakh (Rs.118.26 lakh for March 2016).

23 Related Party Disclosures:

Disclosure as required by Indian Accounting Standard 24 (IND AS-24) "Related Party Disclosures" as notified under the Companies (Accounts) Rules, 2014 is as follows:

a) List of the related parties and description of relationship:

Name of the related party	Country of Origin
Ultimate Holding Company The Tata Power Company Limited (TPCL)	India
Holding Company Tata Power Renewable Energy Limited (TPREL) Indo Rama Renewables Limited (IRRL)*	India India
Key Management Personal (KMP) Vasudev Naik (Manager & Director)	

b) Details of Transactions / Balances Outstanding:

Particulars	Amount in ₹ lakh			
	TPCL	TPREL	IRRL	KMP
Loan taken	-	13,500.00	-	-
Loan assigned on acquisition of the company	-	1,589.63	(1,589.63)	-
Interest charged	-	1,187.93	23.40	-
Reimbursement of expenses	-	11.83	1.68	-
Internal Audit Fee	2.17	-	-	-
Asset Management Service Charge	24.00	-	-	-
Remuneration #	-	1.72	-	3.93
Balance Outstanding:				
Loan taken outstanding	-	15,089.63	1,587.96	-
Other Payables	26.17	5.65	1.68	-

* Indo Rama Renewables Limited was holding company till 18th May 2016.

Reimbursement of deputation cost to holding company.

Indo Rama Renewables Jath Limited

Notes forming part of Financial Statements

24 Earnings / (Loss) per Share:

Particulars	For the year ended 31st March, 2017	For the year ended 31st March, 2016
Net loss for the year attributable to equity shareholders (₹ lakhs)	(245.83)	(308.47)
Weighted Average Number of Equity Shares for Basic EPS (Nos)	60,300,000	60,300,000
Par value per equity share (₹)	10.00	10.00
Basic Earnings Per Share (₹)	(0.41)	(0.51)

25 Financial Instruments

(i) Capital Management:

The Company manages its capital to ensure that it will be able to continue as going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance. The Capital structure consist of net debt (borrowings as detailed in note 12 offset by cash and bank balances) and share capital of the company. The company is in the process of restructuring short term debt to long term financial instrument.

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

The Company reviews the capital structure of the company on an annual basis. As part of this review, the Company considers cost of capital and risk associated with each class of capital. The Company has a target of debt equity ratio in the range of 70% to 75% debt to total capital (debt + equity).

(ii) Financial Risk Management:

Liquidity risk management

Liquidity risk refers to the risk that the Company will encounter difficulty in meeting its financial obligation as they fall due. The Company's financial liabilities as on 31st March 2017 is Rs. 15,089.63 lakh as short term funding from holding company bearing interest rate of 10.41% repayable on demand and Rs.35.40 lakh are non interest bearing and are payable within 30 days. Significant portion of the Company's financial assets as at 31st March 2017 comprise of cash and cash equivalents, and current investments aggregating to Rs.970.86 lakh. The Company is dependent upon continued financial support from the holding company.

Credit risk management

Credit risk refers to risk that the counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company has signed Power Purchase Agreement (PPA) with Maharashtra State Electricity Distribution Company Limited for 13 years for supply of power. Being a State Government undertaking credit risk is very less. Significant portion of the Company's financial assets as at 31st March 2017 comprise of cash and cash equivalents aggregating to Rs.539.92 lakh which are held with reputed and creditworthy financial institution.

(iii) Fair Value Measurement:

The carrying value of financial instruments by categories as of March 31, 2017 is as follows:

Particulars	Amount in ₹ Lakh				
	Fair Value through Profit and Loss	Fair Value through OCI	Amortised Cost	Total Carrying Value	Total Fair Value
Assets :					
Cash and Cash Equivalents	-	-	539.92	539.92	539.92
Trade Receivables	-	-	2,695.71	2,695.71	2,695.71
Unbilled Revenue	-	-	232.50	232.50	232.50
Investments	430.94	-	-	430.94	430.94
Total	430.94	-	3,468.13	3,899.07	3,899.07
Liabilities					
Borrowings	-	-	15,089.63	15,089.63	15,089.63
Trade Payables	-	-	35.40	35.40	35.40
Other Financial Liabilities	-	-	-	-	-
Total	-	-	15,125.03	15,125.03	15,125.03

Indo Rama Renewables Jath Limited

Notes forming part of Financial Statements

The carrying value of financial instruments by categories as of March 31, 2016 is as follows:

Particulars	Fair Value through Profit and Loss	Fair Value through OCI	Amortised Cost	Total Carrying Value	Total Fair Value
Assets :					
Cash and Cash Equivalents	-	-	45.53	45.53	45.53
Trade Receivables	-	-	1,379.05	1,379.05	1,379.05
Unbilled Revenue	-	-	174.41	174.41	174.41
Investments	968.58	-	-	968.58	968.58
Total	968.58	-	1,598.99	2,567.57	2,567.57
Liabilities					
Borrowings	-	-	12,506.78	12,506.78	12,506.78
Trade Payables	-	-	55.93	55.93	55.93
Other Financial Liabilities	-	-	2,392.15	2,392.15	2,392.15
Total	-	-	14,954.86	14,954.86	14,954.86

The carrying value of financial instruments by categories as of April 1, 2015 is as follows:

Particulars	Fair Value through Profit and Loss	Fair Value through OCI	Amortised Cost	Total Carrying Value	Total Fair Value
Assets :					
Cash and Cash Equivalents	-	-	4.21	4.21	4.21
Trade Receivables	-	-	532.68	532.68	532.68
Unbilled Revenue	-	-	165.24	165.24	165.24
Investments	1,234.54	-	-	1,234.54	1,234.54
Total	1,234.54	-	702.13	1,936.67	1,936.67
Liabilities					
Borrowings	-	-	14,401.05	14,401.05	14,401.05
Trade Payables	-	-	0.99	0.99	0.99
Other Financial Liabilities	-	-	979.73	979.73	979.73
Total	-	-	15,381.77	15,381.77	15,381.77

The management of the company consider that the carrying amount of the financial assets and financial liabilities are recognised in financial statement approximate their fair value.

The fair value hierarchy is based on inputs to valuation techniques that are used to measure fair value that are either observable or unobservable and consists of the following three levels:

- Level 1 — Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 — Inputs are other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 — Inputs are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.

The following table summarises financial assets and liabilities measured at fair value on a recurring basis and financial assets that are not measured at fair value on a recurring basis (but fair value disclosure are required):

	Amount in ₹ Lakh			
	Level 1	Level 2	Level 3	Total
As at 31.03.2017				
Financial Assets				
Mutual Fund Investment	430.94	-	-	430.94
Total	430.94	-	-	430.94
As at 31.03.2016				
Financial Assets				
Mutual Fund Investment	968.58	-	-	968.58
Total	968.58	-	-	968.58
As at 01.04.2015				
Financial Assets				
Mutual Fund Investment	1,234.54	-	-	1,234.54
Total	1,234.54	-	-	1,234.54

Indo Rama Renewables Jath Limited

Notes forming part of Financial Statements

26 Trade payables

	Amount in ₹ Lakh		
	As at 31st March, 2017	As at 31st March, 2016	As at 01st April, 2015
a) total outstanding dues of micro enterprises and small enterprises	-	-	-
(b) total outstanding dues of creditors other than micro enterprises and small enterprises	35.40	55.93	0.99
	35.40	55.93	0.99

27 Disclosure in terms of G.S.R.307(E) read with G.S.R.308(E) dated 30th March, 2017 issued by the Ministry of Corporate Affairs, Government of India.

Specified Bank Notes held and transacted during the period 8th November,2016 to 30th December, 2016

	Specified Bank notes	Other denomination	Rs.lakh Total Amount
Closing cash in hand as on 8th November, 2016	NIL	NIL	NIL
Add : Permitted receipts	NIL	NIL	NIL
Less : Permitted payments	NIL	NIL	NIL
Less : Amount deposited in Banks	NIL	NIL	NIL
Closing cash in hand as on 30th December, 2016	NIL	NIL	NIL

28 The Company has determined its operating segment as generation and selling of wind power, based on the information reported to the chief operating decision maker (CODM) in accordance with the requirements of Indian Accounting Standard 108- 'Operating Segment Reporting', notified under the Companies (Indian Accounting Standards) Rules, 2015.

29 Events occurring after reporting period:

There was no significant event after the end of the reporting period which require any adjustment or disclosure in the financial statements.

30 Approval of financial statements:

The financial statements were approved by the board of director's on 5th May 2017.