

**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 Renewables Jath Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2018, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

### **Management's Responsibility for the Financial Statements**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these 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 accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act, read with [the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial control 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 thereunder. We conducted our audit of the Ind AS financial statements in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India, as 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 financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the 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 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 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 March 31, 2018, its profit including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.



# SRBC & CO LLP

Chartered Accountants

## Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure 1 a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by section 143 (3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose 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, Statement of Profit and Loss including the Statement of 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 Accounting Standards specified under section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended.
  - (e) On the basis of written representations received from the directors as on March 31, 2018, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018, from being appointed as a director in terms of section 164 (2) of the Act;
  - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;
  - (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company 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 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.

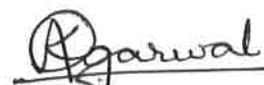
## Other Matter

The comparative financial information of the Company for the year ended March 31, 2017 included in these Ind AS financial statements, prepared in accordance with Ind AS, have been audited by the predecessor auditor whose report for the year ended March 31, 2017 dated May 5, 2017 expressed an unmodified opinion on those financial statements.

For **SRBC & CO LLP**

Chartered Accountants

Firm Registration No. 324982E/E300003



per Abhishek Agarwal

Partner

Membership No.: 112773

Place: Mumbai

Date: 11/04/2018





**Annexure 1 referred to in paragraph 1 under the heading 'Report on Other Legal and Regulatory Requirements' 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) Fixed assets have been physically verified by the management during the year and no material discrepancies were identified on such verification.
  - (c) According to the information and explanations given by the management, the title deeds of immovable properties included in property, plant and equipment/ fixed assets are held in the name of the company.
- (ii) The Company's business does not involve inventories and, accordingly, the requirements under paragraph 3(ii) of the Order are not applicable to the Company.
- (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 the Companies Act, 2013. Accordingly, the provisions of clause 3(iii)(a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.
- (iv) In our opinion and according to the information and explanations given to us, there are no loans, investments, guarantees, and securities given in respect of which provisions of section 185 and 186 of the Companies Act 2013 are applicable and hence not commented upon.
- (v) The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.
- (vi) The maintenance of cost records has been specified by the Central Government under section 148(1) of the Companies Act, 2013. 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 the 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 is regular in depositing with appropriate authorities undisputed statutory dues including income-tax, service tax, goods and service tax and other statutory dues applicable to it. The provisions relating to provident fund, employees' state insurance, sales tax, duty of custom, duty of excise, value added tax, cess are not applicable to the Company.
  - (b) According to the information and explanations given to us, no undisputed amounts payable in respect of income-tax, service tax, goods and service tax, and other statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.
  - (c) According to the information and explanations given to us, there are no dues of income tax, goods and service tax, service tax, which have not been deposited on account of any dispute.
- (viii) The Company did not have any outstanding loans or borrowing dues in respect of a financial institution or bank or to government or dues to debenture holders during the year.
- (ix) According to the information and explanations given by the management, the Company has not raised any money by way of initial public offer / further public offer / debt instruments and term loans hence, reporting under clause (ix) is not applicable to the Company and hence not commented upon.



# SRBC & CO LLP

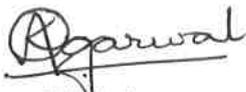
Chartered Accountants

- (x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud by the company or no fraud / material fraud on the company by the officers and employees of the Company has been noticed or reported during the year.
- (xi) According to the information and explanations given by the management, the managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.
- (xii) In our opinion, the Company is not a nidhi Company. Therefore, the provisions of clause 3(xii) of the Order are not applicable to the company and hence not commented upon.
- (xiii) In our opinion and according to the information and explanations given to us the Company is in compliance with Section 177 and 188 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 accounting standards.
- (xiv) According to the information and explanations given to us and on an overall examination of the balance sheet, 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, reporting requirements under clause 3(xiv) are not applicable to the company and, not commented upon.
- (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) According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

**For SRBC & CO LLP**

Chartered Accountants

Firm Registration No. 324982E/E300003



per Abhishek Agarwal  
Partner

Membership No.: 112773

Place: Mumbai

Date: 11/04/2018



2

**Annexure 2 to the Independent Auditor's report of even date on the Ind AS financial statements of INDO RAMA RENEWABLES JATH LIMITED****Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls over financial reporting of Indo Rama Renewables Jath Limited ("the Company") as of March 31, 2018 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 the 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") and the Standards on Auditing as specified under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

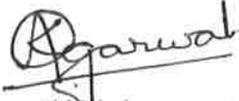
## Opinion

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 March 31, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For SRBC & CO LLP

Chartered Accountants

Firm Registration No. 324982E/E300003

  
per Abhishek Agarwal  
Partner

Membership No.: 112773

Place: Mumbai

Date: 11/04/2018





# Indo Rama Renewables Jath Limited

## Balance sheet as at 31st March, 2018

	Notes	Amount in ₹ Lakh	
		As at 31st March, 2018	As at 31st March, 2017
<b>ASSETS</b>			
<b>Non-current assets</b>			
(a) Property, plant and equipment	3	14,899.01	16,414.63
(b) Non-current tax assets (Net)		66.15	124.15
(c) Deferred tax asset (net)	4	-	-
(d) Other Non-current Assets	5A	22.41	22.36
<b>Total non-current assets</b>		<b>14,987.57</b>	<b>16,561.14</b>
<b>Current assets</b>			
(a) Financial assets			
(i) Investments	6	1,007.54	430.94
(ii) Trade receivables	7	421.10	2,695.71
(iii) Unbilled revenue		119.75	232.50
(iv) Cash and cash equivalents	8	0.56	539.92
(b) Other current assets	5B	116.45	104.05
<b>Total current assets</b>		<b>1,665.40</b>	<b>4,003.12</b>
<b>TOTAL ASSETS</b>		<b>16,652.97</b>	<b>20,564.26</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
(a) Equity share capital	9	6,030.00	6,030.00
(b) Other equity	10	(523.50)	(607.19)
<b>Total Equity</b>		<b>5,506.50</b>	<b>5,422.81</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	11	6,750.00	-
<b>Total non-current liabilities</b>		<b>6,750.00</b>	<b>-</b>
<b>Current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	12	3,660.87	15,089.63
(ii) Trade payables	13	194.12	35.40
(iii) Other financial liabilities	14	500.00	-
(b) Other current liabilities	15	41.48	16.42
<b>Total current liabilities</b>		<b>4,396.47</b>	<b>15,141.45</b>
<b>Total liabilities</b>		<b>11,146.47</b>	<b>15,141.45</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>16,652.97</b>	<b>20,564.26</b>

See accompanying notes forming part of the financial statements

For S R B C & Co LLP

Chartered Accountants

ICAI Firm registration number: 324982E/E300003

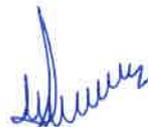


per Abhishek Agarwal  
Partner

Membership No.: 112773



For and on behalf of the Board



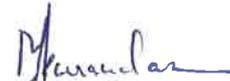
Nandakumar Tirumalai  
Director



Vasudev Naik  
Director



Anand Solanki  
Chief Financial Officer



Mona Purandare  
Company Secretary

Mumbai, 11th April, 2018

Mumbai, 11th April, 2018

# Indo Rama Renewables Jath Limited

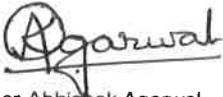
## Statement of profit and loss for the year ended 31st March, 2018

Amount in ₹ Lakh

	Notes	For the year ended 31st March, 2018	For the year ended 31st March, 2017
I Revenue from operations	16	3,247.92	3,618.26
II Other income	17	62.84	47.69
III <b>Total income</b>		<b>3,310.76</b>	<b>3,665.95</b>
IV <b>Expenses</b>			
Employee benefits expense	18	-	1.22
Finance costs	19	1,226.90	1,966.75
Depreciation and amortisation expenses	3	1,515.62	1,515.62
Other expenses	20	453.55	428.19
<b>Total expenses</b>		<b>3,196.07</b>	<b>3,911.78</b>
V <b>Profit / (Loss) before tax</b>		<b>114.69</b>	<b>(245.83)</b>
VI <b>Tax expense</b>			
Current tax	23	31.00	-
Deferred tax	4	0.00	-
		31.00	-
VII <b>Profit / (Loss) for the year</b>		<b>83.69</b>	<b>(245.83)</b>
VIII <b>Other comprehensive income</b>		0.00	-
IX <b>Total comprehensive income / (expense) for the year (VII + VIII)</b>		<b>83.69</b>	<b>(245.83)</b>
X <b>Loss per equity share (face value ₹ 10 per share)</b>			
Basic (₹)	25	0.14	(0.41)
Diluted (₹)	25	0.14	(0.41)

See accompanying notes forming part of the financial statements

For S R B C & Co LLP  
Chartered Accountants  
ICAI Firm registration number: 324982E/E300003

  
per Abhishek Agarwal  
Partner  
Membership No.: 112773



For and on behalf of the Board

  
Nandakumar Tirumalai  
Director

  
Vasudev Naik  
Director

  
Anand Solanki  
Chief Financial Officer

  
Mona Purandare  
Company Secretary

Mumbai, 11th April, 2018

Mumbai, 11th April, 2018

**Indo Rama Renewables Jath Limited**

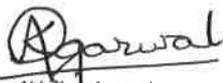
**Statement of cash flows for the year ended 31st March, 2018**

Amount in ₹ Lakh

	For the year ended 31st March, 2018	For the year ended 31st March, 2017
<b>A. Cash Flow from Operating Activities</b>		
Profit before tax	114.69	(245.83)
Adjustments for :		
Depreciation and Amortisation Expense	1,515.62	1,515.62
Finance Cost	1,226.90	1,966.75
Interest Income on bank deposits	-	(0.01)
Interest Income from tax refund	(3.85)	-
Net gain on Current Investments measured at FVTPL	(58.99)	-
<b>Operating profit before working capital changes</b>	<b>2,679.68</b>	<b>(47.68)</b>
<b>Working Capital Adjustments</b>		
Adjustments for (increase) / decrease in operating assets:		
Trade receivables	2,274.63	(1,316.66)
Other current assets	(12.40)	5.00
Other non-current assets	(0.05)	(13.38)
Unbilled revenue	112.75	(58.09)
	<b>2,374.93</b>	<b>(1,383.13)</b>
Adjustments for increase / (decrease) in operating liabilities:		
Trade payables	158.72	(20.53)
Other Financial Liabilities-current	-	-
Other current liabilities	25.06	(16.15)
	<b>183.78</b>	<b>(36.68)</b>
<b>Cash flow from operations</b>	<b>5,353.08</b>	<b>1,769.04</b>
Income tax paid / refund received	30.85	(83.93)
<b>Net cash generated by operating activities</b>	<b>5,383.93</b>	<b>1,685.11</b>
<b>B. Cash Flow from Investing Activities</b>		
Purchase of Current Investments	(3,750.36)	(1,339.70)
Proceeds from Sale of Current Investments	3,232.73	1,925.02
Interest Received	-	0.01
<b>Net cash generated by investing activities</b>	<b>(517.63)</b>	<b>585.33</b>
<b>C. Cash flow from Financing Activities</b>		
Finance Costs paid	(1,066.03)	(1,783.48)
Repayment of Long term borrowings	(6,250.00)	(13,492.57)
Proceeds from Short term borrowings	3,500.00	13,500.00
Repayment of Short term borrowings	(1,589.63)	-
<b>Net cash used in financing activities</b>	<b>(5,405.66)</b>	<b>(1,776.05)</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>	<b>(539.36)</b>	<b>494.39</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>539.92</b>	<b>45.53</b>
<b>Cash and cash equivalents at the end of the year</b>	<b>0.56</b>	<b>539.92</b>
<b>Cash and cash equivalents comprises</b>		
Balance with banks		
(a) in current account	0.56	539.92
(b) in deposit account	-	-
	<b>0.56</b>	<b>539.92</b>

See accompanying notes forming part of the financial statements

For S R B C & Co LLP  
Chartered Accountants  
ICAI Firm registration number: 324982E/E300003

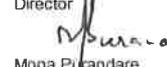
  
per Abhishek Agarwal  
Partner  
Membership No.: 112773



Mumbai, 11th April, 2018

For and on behalf of the Board

  
Nandakumar Tirumalai  
Director  
  
Anand Solanki  
Chief Financial Officer

  
Vasudev Naik  
Director  
  
Mona Purandare  
Company Secretary

Mumbai, 11th April, 2018

AC

## Indo Rama Renewables Jath Limited

### Statement of changes in equity

#### A. Equity Share Capital

	Amount in ₹ Lakh
Balance as at 31st March, 2016	6,030.00
Changes in equity share capital during the year	-
<b>Balance as at 31st March, 2017</b>	<b>6,030.00</b>
Changes in equity share capital during the year	-
<b>Balance as at 31st March, 2018</b>	<b>6,030.00</b>

#### B. Other equity

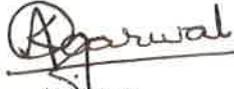
	Amount in ₹ Lakh		
	Deemed equity contribution from holding company (refer note 10)	Retained earnings	Total
<b>Balance as at 31st March, 2016</b>	<b>615.05</b>	<b>(976.41)</b>	<b>(361.36)</b>
Profit for the year	-	(245.83)	(245.83)
Total comprehensive income for the year	-	(245.83)	(245.83)
<b>Balance as at 31st March, 2017</b>	<b>615.05</b>	<b>(1,222.24)</b>	<b>(607.19)</b>
Profit for the year	-	83.69	83.69
Total comprehensive income for the year	-	83.69	83.69
<b>Balance as at 31st March, 2018</b>	<b>615.05</b>	<b>(1,138.55)</b>	<b>(523.50)</b>

See accompanying notes forming part of the financial statements

For S R B C & Co LLP

Chartered Accountants

ICAI Firm registration number: 324982E/E300003

  
per Abhishek Agarwal  
Partner  
Membership No.: 112773



For and on behalf of the Board

  
Nandakumar Tirumalai  
Director

  
Vasudev Naik  
Director

  
Anand Solanki  
Chief Financial Officer

  
Mona Purandare  
Company Secretary

Mumbai, 11th April, 2018

Mumbai, 11th April, 2018



**Indo Rama Renewables Jath Limited**  
**Notes forming part of the financial statements for the year ended 31 March 2018**

**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") has notified under the Companies (Indian Accounting Standards) Rules, 2015 read with section 133 of the Companies Act, 2013 (as amended).

**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.

**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



## **Indo Rama Renewables Jath Limited**

**Notes forming part of the financial statements for the year ended 31 March 2018**

### **2.4.1. Sale of Power**

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.

#### **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.



## **Indo Rama Renewables Jath Limited**

### **Notes forming part of the financial statements for the year ended 31 March 2018**

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.

For operations carried out under tax holiday period (80IA benefits of Income Tax Act, 1961), deferred tax assets or liabilities, if any, have been established for the tax consequences of those temporary differences between the carrying values of assets and liabilities and their respective tax bases that reverse after the tax holiday ends.

Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the relevant entity intends to settle its current tax assets and liabilities on a net basis.

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



(A)

AS

## **Indo Rama Renewables Jath Limited**

### **Notes forming part of the financial statements for the year ended 31 March 2018**

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).



**Indo Rama Renewables Jath Limited**

**Notes forming part of the financial statements for the year ended 31 March 2018**

**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.



A handwritten signature in black ink, located at the bottom right of the page.

A handwritten mark or signature in black ink, located at the bottom left of the page.

**Indo Rama Renewables Jath Limited**

**Notes forming part of the financial statements for the year ended 31 March 2018**

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.



A handwritten signature in the bottom right corner of the page.

A handwritten mark or signature in the bottom left corner of the page.

**Indo Rama Renewables Jath Limited**

**Notes forming part of the financial statements for the year ended 31 March 2018**

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:

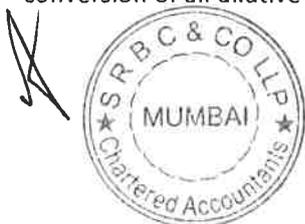
- the profit attributable to owners of the group
- by the weighted average number of equity shares outstanding during the financial year, adjusted for bonus element in equity shares issued during the year and excluding treasury shares.

(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.

AC



AS

**Indo Rama Renewables Jath Limited**  
**Notes forming part of the financial statements for the year ended 31 March 2018**

**2.15 Standards issued but not yet effective**

**IND AS 115 - Revenue from Contracts with Customers**

In March 2018, the Ministry of Corporate Affairs had notified Ind AS 115 (Revenue from Contracts with Customers) which would be applicable for accounting periods beginning on or after 1 April 2018. This Standard establishes the principles that an entity shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from a contract with a customer. The Company is evaluating the requirements of the standard and its impact on its 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
<b>Cost</b>				
Balance as at 1st April, 2016	144.80	21,651.51	0.28	21,796.59
Additions	-	-	-	-
Disposals	-	-	-	-
<b>Balance as at 31st March, 2017</b>	<b>144.80</b>	<b>21,651.51</b>	<b>0.28</b>	<b>21,796.59</b>
Additions	-	-	-	-
Disposals	-	-	-	-
<b>Balance as at 31st March, 2018</b>	<b>144.80</b>	<b>21,651.51</b>	<b>0.28</b>	<b>21,796.59</b>
<b>Accumulated depreciation and impairment</b>				
Balance as at 1st April, 2016	-	3,866.32	0.02	3,866.34
Depreciation expense	-	1,515.61	0.01	1,515.62
Disposals	-	-	-	-
<b>Balance as at 31st March, 2017</b>	<b>-</b>	<b>5,381.93</b>	<b>0.03</b>	<b>5,381.96</b>
Depreciation Expense	-	1,515.61	0.01	1,515.62
Eliminated on disposal of assets	-	-	-	-
<b>Balance as at 31st March, 2018</b>	<b>-</b>	<b>6,897.54</b>	<b>0.04</b>	<b>6,897.58</b>
<b>Carrying amount</b>				
<b>As at 31st March, 2017</b>	<b>144.80</b>	<b>16,269.58</b>	<b>0.25</b>	<b>16,414.63</b>
<b>As at 31st March, 2018</b>	<b>144.80</b>	<b>14,753.97</b>	<b>0.24</b>	<b>14,899.01</b>



AD

AD

# Indo Rama Renewables Jath Limited

## Notes forming part of Financial Statements

Amount in ₹ Lakh

### 4. Deferred Tax Balances

	As at 31st March, 2018	As at 31st March, 2017
<b>A. Deferred Tax assets</b>	(2,164.38)	(2,523.26)
<b>B. Deferred Tax Liabilities</b>	2,164.38	2,523.26
<b>Deferred Tax (Asset) / Liability Net</b>	-	-

2017-18	Opening Balance	Recognised in P&L	Closing Balance
Deferred tax asset relating to:			
- Unabsorbed depreciation	(2,523.26)	358.88	(2,164.38)
Deferred tax liabilities relating to:			
- Property, plant and equipment	2,521.65	(364.55)	2,157.10
- Financial assets measured at FVTPL	1.61	5.67	7.28
	-	-	-

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
- Other financial liabilities	-	-	-
- Financial assets measured at FVTPL	11.64	(10.03)	1.61
- Equity component shareholder loan & other borrowing at EIR	59.94	(59.94)	-
	-	-	-

	As at 31st March, 2018	As at 31st March, 2017
Unrecognised deferred tax asset on unabsorbed depreciation (refer note 23)	(41.08)	(195.70)

### 5. Other Assets

	As at 31st March, 2018	As at 31st March, 2017
<b>A Non - Current</b>		
Value Added Tax Receivable	22.36	22.36
Prepaid expenses	0.05	-
	<b>22.41</b>	<b>22.36</b>
<b>B Current</b>		
Prepaid Expenses	116.45	104.05
	<b>116.45</b>	<b>104.05</b>



# Indo Rama Renewables Jath Limited

## Notes forming part of Financial Statements

Amount in ₹ Lakh

### 6. Investments

	As at 31st March, 2018		As at 31st March, 2017	
	Units	Amount	Units	Amount
<b>Current</b>				
<b>Investments carried at FVTPL</b>				
<b>Investments in Mutual funds (unquoted)</b>				
L&T Ultra Short Term Fund - Direct - Growth	-	-	-	-
L&T Liquid Fund - Direct - Growth	149.79	3.57	-	-
Invesco India Liquid Fund - Direct - Growth	10,103.26	241.68	-	-
Invesco India Ultra Short Term - Direct - Growth	8,737.18	213.71	-	-
Invesco India Credit Opportunities - Direct - Growth	10,129.12	203.50	-	-
DSP Blackrock Ultra Short Term Fund Direct Plan -Growth	-	-	20,50,354	244.16
Axis Liquid - Direct - Growth	17,903	345.08	10,357	186.78
		<b>1,007.54</b>		<b>430.94</b>

### 7. Trade Receivables

	As at 31st March, 2018	As at 31st March, 2017
Trade Receivables-Unsecured, considered good	421.10	2,695.71
	<b>421.10</b>	<b>2,695.71</b>

The 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 leviable for delay in payment. Late payment surcharge are recognized, on grounds of prudence when recovered.

#### Age of receivables

	As at 31st March, 2018	As at 31st March, 2017
Within the credit period	248.26	-
1-90 days past due	172.84	484.62
91-182 days past due	-	1,691.07
More than 182 days past due	-	520.02

### 8. Cash and Cash Equivalents

	As at 31st March, 2018	As at 31st March, 2017
<b>Balances with banks</b>		
in current accounts	0.56	539.92
	<b>0.56</b>	<b>539.92</b>



# Indo Rama Renewables Jath Limited

## Notes forming part of Financial Statements

### 9 Equity Share Capital

Amount in ₹ Lakh

	As at 31st March, 2018	As at 31st March, 2017
<b>Authorised Share Capital</b>		
61,000,000 fully paid equity shares of ₹ 10 each	6,100.00	6,100.00
<b>Issued, Subscribed and fully paid up Share Capital</b>		
60,300,000 fully paid equity shares of ₹ 10 each (as at 31st March, 2017 : 60,300,000)	6,030.00	6,030.00
<b>Total issued, subscribed and fully paid-up</b>	<b>6,030.00</b>	<b>6,030.00</b>

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

##### Equity shares

	31st March, 2018		31st March, 2017	
	Numbers	Rupees	Numbers	Rupees
At the beginning of the year	6,03,00,000	60,30,00,000	6,03,00,000	60,30,00,000
<b>Outstanding at the end of the year</b>	<b>6,03,00,000</b>	<b>60,30,00,000</b>	<b>6,03,00,000</b>	<b>60,30,00,000</b>

#### 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.

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, 2017 - 60,300,000 shares) being the entire share capital is held by Tata Power Renewable Energy Limited, the holding company.

### 10 Other equity

Amount in ₹ Lakh

	As at 31st March, 2018	As at 31st March, 2017
<b>A. Deemed equity contribution from holding company</b>		
Opening Balance	615.05	615.05
Add: Transaction during the year	-	-
<b>Closing Balance</b>	<b>615.05</b>	<b>615.05</b>
<b>B. Retained Earnings</b>		
Opening Balance	(1,222.24)	(976.41)
Profit / (Loss) for the year	83.69	(245.83)
<b>Closing Balance</b>	<b>(1,138.55)</b>	<b>(1,222.24)</b>
<b>Total other equity</b>	<b>(523.50)</b>	<b>(607.19)</b>

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 Indo Rama Renewables Limited (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, 2018	As at 31st March, 2017
<b>Unsecured - at amortised cost</b>		
(i) Term Loans from Related Party - the Holding Company	6,750.00	-
	<b>6,750.00</b>	<b>-</b>

#### Terms of borrowings:

Borrowings from holding company are at 9.25% per annum interest rate linked to ICICI MCLR rate. Interest is payable on monthly basis. Principle amount is due on half yearly basis in September and March for Rs.250 lakh each for the year 2019 and 2020. Balance is due in June 2020.

### 12 Current Borrowings

	As at 31st March, 2018	As at 31st March, 2017
<b>Unsecured at amortised cost</b>		
Short term loan repayable on demand from:		
- Holding Company		15,089.63
- Ultimate Holding Company	3,660.87	-
	<b>3,660.87</b>	<b>15,089.63</b>

#### Terms of borrowings:

Current borrowings of Rs. 3,500 lakh in the current year is from fellow subsidiary Chemical Terminal Trombay Limited (CTTL) which is merged with The Tata Power Company Limited (ultimate holding company) as per National Company Law Tribunal order dated 28th July, 2017. Merger is effective from 01st April, 2017. Interest is charged at the rate of 8% and is payable at end of term.

Current borrowings in previous year was from holding company repayable on demand. Interest was charged at the rate of 12.62% on Rs.13,500 lakh and at the rate of 10.15% on Rs. 1589.63 lakh (Borrowings amounting to Rs.13,500 lakh was converted into non current borrowings during the current year).

### 13 Trade Payables

	As at 31st March, 2018	As at 31st March, 2017
a) total outstanding dues of micro enterprises and small enterprises	-	-
(b) total outstanding dues of creditors other than micro enterprises and small enterprises	194.12	35.40
	<b>194.12</b>	<b>35.40</b>

### 14 Other Financial Liabilities

	As at 31st March, 2018	As at 31st March, 2017
<b>Current</b>		
Current maturities of long term debt from holding company	500.00	-
	<b>500.00</b>	<b>-</b>

### 15 Other Current liabilities

	As at 31st March, 2018	As at 31st March, 2017
Statutory Liabilities	41.48	16.42
	<b>41.48</b>	<b>16.42</b>



# Indo Rama Renewables Jath Limited

## Notes forming part of Financial Statements

	<i>Amount in ₹ Lakh</i>	
	<u>For the year ended 31st March, 2018</u>	<u>For the year ended 31st March, 2017</u>
<b>16. Revenue from Operations</b>		
(a) <b>Revenue from Operations</b>		
Revenue from Power Supply	2,990.56	3,331.55
	<u>2,990.56</u>	<u>3,331.55</u>
(b) <b>Other Operating Revenue</b>		
Generation Based Incentive	257.36	286.71
	<u>257.36</u>	<u>286.71</u>
<b>Total</b>	<u><b>3,247.92</b></u>	<u><b>3,618.26</b></u>
<b>17. Other Income</b>		
	<u>For the year ended 31st March, 2018</u>	<u>For the year ended 31st March, 2017</u>
(a) <b>Interest Income on Financial Assets held at Amortised Cost</b>		
Interest on Banks Deposits	-	0.01
	<u>-</u>	<u>0.01</u>
(b) <b>Gain/(Loss) on Investments</b>		
Net gain on Current Investment measured at FVTPL	58.99	47.68
(c) <b>Interest income on income tax refund</b>	3.85	-
	<u>62.84</u>	<u>47.68</u>
<b>Total</b>	<u><b>62.84</b></u>	<u><b>47.69</b></u>
<b>18. Employee Benefits Expense</b>		
	<u>For the year ended 31st March, 2018</u>	<u>For the year ended 31st March, 2017</u>
Salaries and Wages	-	0.83
Staff Welfare Expenses	-	0.39
	<u>-</u>	<u>1.22</u>
<b>19 Finance Costs</b>		
	<u>For the year ended 31st March, 2018</u>	<u>For the year ended 31st March, 2017</u>
(a) <b>Interest Expense:</b>		
<b>Borrowings</b>		
Interest on - Loans from related Parties	1,226.89	1,188.25
Interest on Loans - Banks & Financial Institutions	-	468.92
Interest on Loans - others	-	23.40
Loss on extinguishment of debt instrument	-	154.22
<b>Others</b>		
Other interest and commitment charges	0.01	5.78
	<u>1,226.90</u>	<u>1,840.57</u>
(b) <b>Other Borrowing Cost:</b>		
Other Finance Costs	-	126.18
	<u>-</u>	<u>126.18</u>
	<u><b>1,226.90</b></u>	<u><b>1,966.75</b></u>



Indo Rama Renewables Jath Limited

Notes forming part of Financial Statements

Amount in ₹ Lakh

20. Other Expenses

	For the year ended 31st March, 2018	For the year ended 31st March, 2017
Rental of Land, Buildings, Plant and Equipment, etc.	-	0.08
Repairs and Maintenance	377.90	342.27
Rates and Taxes	10.23	4.54
Insurance	6.21	9.52
Other Operation Expenses	0.04	0.26
Cost of Services	38.06	30.50
Electricity Consumed	0.08	1.00
Travelling and Conveyance Expenses	3.77	0.01
Consultants' Fees	1.89	0.54
Auditors' Remuneration	5.40	8.08
Directors Sitting Fees	2.91	4.54
Other Fees	7.06	24.43
Miscellaneous Expenses	-	2.42
<b>Total</b>	<b>453.55</b>	<b>428.19</b>

Payment to Auditors

	For the year ended 31st March, 2018	For the year ended 31st March, 2017
<b>Auditors' remuneration (inclusive of service tax):</b>		
Audit fees	4.13	5.75
Tax Audit	1.18	1.18
Out of pocket expenses	0.09	0.10
Other Services	-	1.05
	<b>5.40</b>	<b>8.08</b>

*AD*

*AS*



*AS*

**Indo Rama Renewables Jath Limited**

**Notes forming part of Financial Statements**

**21 Contingent Liabilities:**  
For taxation Matters Rs. NIL (31st March, 2017 - Rs 463.60 lakh)

**22 Capital Commitment :**  
As on reporting date there are no capital commitment

**23 Tax expense reconciliation**

	Amount in ₹ Lakh	
	For the year ended 31st March, 2018	For the year ended 31st March, 2017
<b>Current tax</b>		
In respect of the current year	31.00	-
In respect of the previous years	-	-
<b>Total Current Tax</b>	<b>31.00</b>	<b>-</b>
<b>Deferred tax</b>		
In respect of the current year	-	-
Adjustments to deferred tax attributable to changes in tax rates	-	-
<b>Total Deferred Tax</b>	<b>-</b>	<b>-</b>
<b>Total income tax expense recognised in the current year</b>	<b>31.00</b>	<b>-</b>

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

	Amount in ₹ Lakh	
	For the year ended 31st March, 2018	For the year ended 31st March, 2017
Profit / (Loss) before tax	114.69	(245.83)
Income tax expense calculated at 27.55%	31.60	-
Effect of expenses that are not deductible in determining taxable profit	417.93	-
Effect of expenses that are deductible in determining taxable profit	(357.18)	-
Effect of Brought Forward Losses	(92.35)	-
Effect of additional tax on account of Minimum Alternate Tax (MAT) applicability	31.00	-
<b>Income tax expense recognised in statement of profit or loss</b>	<b>31.00</b>	<b>-</b>

1. The tax rate used for the years 2017-18 and 2016-17 reconciliations above is the corporate tax rate of 27.55% payable by corporate entities in India on taxable profits under the Indian tax law.

2. The Company has to pay taxes based on the higher of Income Tax profit of the company or MAT at 20.39% of book profit for the year 2017-18 and 2016-17.

**24 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) till 19th May, 2016	India India
Fellow Subsidiary Chemical Thermal Trombay Limited (CTTL)	India
Key Management Personal (KMP) Vasudev Naik (Manager & Director) Anand Solanki (CFO)	India India

**b) Details of Transactions / Balances Outstanding:**

Particulars	Amount in ₹ lakh				
	TPCL	TPREL	CTTL	IRRL	KMP
Loan taken *	3,500.00	-	-	-	-
Loan repaid	-	13,500.00	-	-	-
Loan assigned on acquisition of the company	-	-	-	-	-
Interest charged *	178.74	1,048.15	-	-	-
Reimbursement of expenses	-	1,187.93	-	23.40	-
Internal Audit Fee	-	96.82	-	-	-
Asset Management Service Charge	2.17	11.83	-	-	-
Remuneration #	31.56	-	-	-	4.96
	24.00	1.72	-	-	3.93
<b>Balance Outstanding:</b>					
Loan taken outstanding (including interest accrued) *	3,660.87	7,250.00	-	-	-
Other Payables	2.42	15,089.63	-	-	-
	26.17	5.65	-	-	-

Above related party transactions are at ordinary course of business and are at arm's length.

\* Loan of Rs. 3,500 lakh was taken from Chemical Thermal Trombay Limited (CTTL). Subsequently with effect from 07th March 2018, CTTL has been merged with The Tata Power Company Limited (ultimate holding company).

# Reimbursement of expenditure to holding company.

## Previous year figures are in italic. For during the year transaction, figures are for the year ended 31st March, 2017 and for balance outstanding, figures are as on 31st March, 2017.



## Indo Rama Renewables Jath Limited

### Notes forming part of Financial Statements

#### 25 Earnings / (Loss) per Share:

Particulars	For the year ended 31st March, 2018	For the year ended 31st March, 2017
Net loss for the year attributable to equity shareholders (₹ lakhs)	83.69	(245.83)
Weighted Average Number of Equity Shares for Basic EPS (Nos)	6,03,00,000	6,03,00,000
Par value per equity share (₹)	10.00	10.00
Basic Earnings Per Share (₹)	0.14	(0.41)

#### 26 Financial Instruments

##### (i) Capital Management:

The Company's capital management is intended to create value for shareholders by facilitating the meeting of its long-term and short-term goals. Its Capital structure consists of net debt (borrowings as detailed in notes below) and total equity.

##### Gearing ratio

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

	For the year ended 31st March, 2018	For the year ended 31st March, 2017
Debt (i)	10,910.87	15,089.63
Cash and Bank balances (including cash and bank balances in a disposal)	0.56	539.92
<b>Net debt</b>	<b>10,910.31</b>	<b>14,549.71</b>
<b>Total Equity (ii)</b>	<b>5,506.50</b>	<b>5,422.81</b>
<b>Net debt to equity ratio (%)</b>	<b>198.14%</b>	<b>268.31%</b>

(i) Debt is defined as long-term borrowings (including current maturities) and short-term borrowings (excluding derivative, financial guarantee contracts and contingent considerations).

(ii) Equity is defined as Equity share capital, Unsecured perpetual securities and other equity including reserves and surplus.

##### (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 2018 is Rs.7,250 lakh as funding from holding company bearing interest rate of 9.25% repayable on demand and Rs.3,500 lakh is funded by a fellow subsidiary at interest rate of 8%. Non interest bearing liability of Rs.194.14 lakh is payable within 30 days. Significant portion of the Company's financial assets as at 31st March 2018 comprise of cash and cash equivalents, and current investments aggregating to Rs.1,008.10 lakh. The Company is dependent upon continued financial support from the holding company.

The maturity profile of the financial liabilities are listed below:

Expected maturity for financial Liabilities	Up to 1 year	2 to 5 years	5+ years	Total	Amount in ₹ Lakh
					Carrying Amount
<b>31st March, 2018</b>					
Borrowings (including current maturity)	4,160.87	6,750.00	-	10,910.87	10,910.87
Interest payable on above borrowings	919.38	756.92	-	1,676.30	160.87
Trade Payables	194.12	-	-	194.12	194.12
<b>31st March, 2017</b>					
Borrowings (including current maturity)	15,089.63	-	-	15,089.63	15,089.63
Interest payable on above borrowings	1,570.83	-	-	1,570.83	-
Trade Payables	35.40	-	-	35.40	35.40

The amounts included above for variable interest rate instruments for non-derivative liabilities is subject to change if changes in variable interest rates differ to those estimates of interest rates determined at the end of the reporting period.



## Indo Rama Renewables Jath Limited

### Notes forming part of Financial Statements

#### Interest rate risk sensitivity

Interest rate risk arises from the potential changes in interest rates that may have adverse effects on the Company in the reporting period or in future years.

The sensitivity analysis below have been determined based on exposure to interest rates for term loans and debentures at the end of the reporting period and the stipulated change taking place at the beginning of the financial year and held constant throughout the reporting period in case of term loans and debentures that have floating rates.

If the interest rates had been 50 basis points higher or lower and all the other variables were held constant, the effect on Interest expense for the respective financial years and consequent effect on Company's profit in that financial year would have been as below:

	As of 31st March, 2018		As of 31st March, 2017	
	50 bps increase	50 bps decrease	50 bps increase	50 bps decrease
Interest expense on loan	(+) Rs.53.27 lakh	(-) Rs.53.27 lakh	(+) Rs.67.50 lakh	(-) Rs.67.50 lakh
Effect on profit before tax	(-) Rs.53.27 lakh	(+) Rs.53.27 lakh	(-) Rs.67.50 lakh	(+) Rs.67.50 lakh

#### 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.

#### (iii) Fair Value Measurement:

The carrying value of financial instruments by categories as of March 31, 2018 is as follows:

Particulars	Fair Value through Profit and Loss	Fair Value through OCI	Amortised Cost	Amount in ₹ Lakh	
				Total Carrying Value	Total Fair Value
Assets :					
Cash and Cash Equivalents	-	-	0.56	0.56	0.56
Trade Receivables	-	-	421.10	421.10	421.10
Unbilled Revenue	-	-	119.75	119.75	119.75
Investments	1,007.54	-	-	1,007.54	1,007.54
<b>Total</b>	<b>1,007.54</b>	<b>-</b>	<b>541.41</b>	<b>1,548.95</b>	<b>1,548.95</b>
Liabilities					
Borrowings (includes current maturity)	-	-	10,910.87	10,910.87	10,910.87
Trade Payables	-	-	194.12	194.12	194.12
<b>Total</b>	<b>-</b>	<b>-</b>	<b>11,104.98</b>	<b>11,104.98</b>	<b>11,104.98</b>

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

Particulars	Fair Value through Profit and Loss	Fair Value through OCI	Amortised Cost	Amount in ₹ Lakh	
				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
<b>Total</b>	<b>430.94</b>	<b>-</b>	<b>3,468.15</b>	<b>3,899.09</b>	<b>3,899.09</b>
Liabilities					
Borrowings (includes current maturity)	-	-	15,089.63	15,089.63	15,089.63
Trade Payables	-	-	35.40	35.40	35.40
<b>Total</b>	<b>-</b>	<b>-</b>	<b>15,125.03</b>	<b>15,125.03</b>	<b>15,125.03</b>

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.



## Indo Rama Renewables Jath Limited

### Notes forming part of Financial Statements

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 & financial liabilities that are not measured at fair value on a recurring basis (but fair value disclosure are required):

<i>Amount in ₹ Lakh</i>				
As at 31.03.2018	Level 1	Level 2	Level 3	Total
<b>Financial Assets</b>				
Investments	1,007.54	-	-	1,007.54
<b>Total</b>	<b>1,007.54</b>	<b>-</b>	<b>-</b>	<b>1,007.54</b>
<b>As at 31.03.2017</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
<b>Financial Assets</b>				
Investments	430.94	-	-	430.94
<b>Total</b>	<b>430.94</b>	<b>-</b>	<b>-</b>	<b>430.94</b>

The carrying amount of cash and cash equivalents, trade receivable, unbilled revenue, and trade payables are considered to be the same as their fair value, due to their short term nature.

Borrowings from related parties are the variable rate loans. The current borrowing rate represents the discounting rate, which means that the carrying value will be close approximate to their fair value.

- 27 The Board of Directors of the Company at its meeting held on 19th July, 2017 has considered and approved the "Scheme of Amalgamation" ("the Scheme") under Section 232 and other applicable provisions, if any, of the Companies Act, 2013 between Tata Power Renewable Energy Limited ("transferee company", "holding company") for transfer of the entire business and the whole of the undertaking of the Company on a going concern basis to the transferee company with effect from 1st April, 2017 (appointed date). The Company is in the process of filing the Scheme with National Company Law Tribunal (NCLT). Accordingly, no effect of the proposed Scheme has been given in the Financial Statements.
- 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.

AS

AS



AS

**Indo Rama Renewables Jath Limited**

**Notes forming part of Financial Statements**

**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 11th April, 2018.

**For S R B C & Co LLP**

Chartered Accountants

ICAI Firm registration number: 324982E/E300003

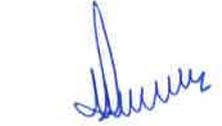
  
per Abhishek Agarwal  
Partner

Membership No.: 112773



Mumbai, 11th April, 2018

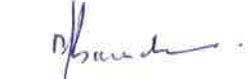
**For and on behalf of the Board**

  
Nandakumar Tirumalai  
Director

  
Anand Solanki  
Chief Financial Officer

Mumbai, 11th April, 2018

  
Vasudev Naik  
Director

  
Mona Purandare  
Company Secretary