

# **Vagarai Windfarm Limited**

## **INDEPENDENT AUDITOR'S REPORT**

To the Members of Vagarai Windfarm Limited

### **Report on the Ind AS Financial Statements**

We have audited the accompanying Ind AS financial statements of Vagarai Windfarm 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 period February 27, 2017 to March 31, 2018, 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 period February 27, 2017 to March 31, 2018.



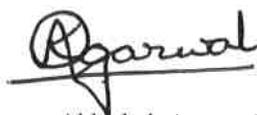
## Report on Other Legal and Regulatory Requirements

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.

For S R B C & CO LLP

Chartered Accountants

Firm Registration No. 324982E/E300003



per Abhishek Agarwal  
Partner

Membership No.: 112773

Place: Mumbai

Date: 23<sup>rd</sup> April, 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 Capital work-in-progress are in the process of being transferred 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) To the best of our knowledge and as explained, the Central Government has not specified the maintenance of cost records under Section 148(1) of the Companies Act, 2013, for the products of the Company as the commercial operation has commenced in the current year.
- (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 provident fund, employees' state insurance, income-tax, sales-tax, service tax, goods and service tax, duty of custom, duty of excise, value added tax, cess and other statutory dues applicable to it.
  - (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, service tax, goods and service tax, sales-tax, duty of custom, duty of excise, value added tax, cess and other statutory dues were outstanding, at the period 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, sales-tax, service tax, goods and service tax, customs duty, excise duty, value added tax and cess 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 period.
- (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.



# **S R B C & C O L L P**

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 period.
- (xi) According to the information and explanations given by the management, the provisions of section 197 read with Schedule V of the Act are not applicable to the company and hence reporting under clause 3(xi) are not applicable and hence not commented upon..
- (xii) The Company is not a Nidhi Company and hence reporting under clause 3(xii) of the 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 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 period 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 period 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 S R B C & C O L L P**

Chartered Accountants

Firm Registration No. 324982E/E300003



per Abhishek Agarwal  
Partner

Membership No.: 112773

Place: Mumbai

Date: 23<sup>rd</sup> April, 2018



**Annexure 2 to the Independent Auditor's report of even date on the Ind AS financial statements of VAGARAI WINDFARM 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 Vagarai Windfarm Limited ("the Company") as of March 31, 2018 in conjunction with our audit of the financial statements of the Company for the period February 27, 2017 to March 31, 2018 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.



# **S R B C & C O L L P**

**Chartered Accountants**

## **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.

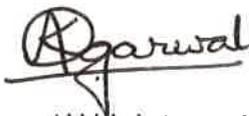
## **Opinion**

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 **S R B C & C O L L P**

Chartered Accountants

Firm Registration No. 324982E/E300003



per Abhishek Agarwal  
Partner

Membership No.: 112773

Place: Mumbai

Date: 23<sup>rd</sup> April, 2018



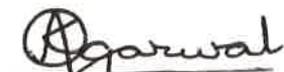
# Vagarai Windfarm Limited

## Balance Sheet as at 31st March, 2018

		Amount in ₹ Lakhs	
		Notes	As at 31st March, 2018
<b>ASSETS</b>			
<b>Non-current assets</b>			
(a)	Property, plant and equipment	3	12,777.87
(b)	Capital work-in-progress		521.21
(c)	Financial Assets		
(i)	Other Financial Assets	4B	0.53
(d)	Deferred Tax Assets (Net)	5	-
<b>Total non-current assets</b>			<b>13,299.61</b>
<b>Current Assets</b>			
(a)	Financial Assets		
(i)	Unbilled revenue		126.90
(ii)	Cash and cash equivalents	4A	56.39
<b>Total current assets</b>			<b>183.29</b>
<b>TOTAL ASSETS</b>			<b>13,482.90</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
(a)	Equity share capital	6	52.50
(b)	Other equity	7	(579.02)
<b>Total Equity</b>			<b>(526.52)</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
(a)	Financial liabilities		
(i)	Borrowings	8	11,495.84
<b>Total non-current liabilities</b>			<b>11,495.84</b>
<b>Current liabilities</b>			
(a)	Financial liabilities		
(i)	Trade payables		
	(a) Total outstanding dues of micro enterprises and small enterprises		-
	(b) Total outstanding dues of creditors other than micro enterprises and small enterprises		13.17
(ii)	Other financial liabilities	9	2,486.35
(b)	Other current liabilities	10	14.06
<b>Total current liabilities</b>			<b>2,513.58</b>
<b>Total liabilities</b>			<b>14,009.42</b>
<b>TOTAL EQUITY AND LIABILITIES</b>			<b>13,482.90</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

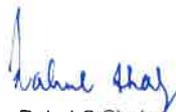


per Abhishek Agarwal  
Partner  
Membership No.: 112773



Mumbai, 23rd April, 2018.

For and on behalf of the Board,

  
Rahul C Shah  
Director



Vasudev Naik  
Director

  
Jitendra V Patil  
Director

Mumbai, 23rd April, 2018.

# Vagarai Windfarm Limited

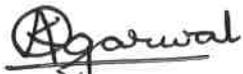
## Statement of Profit and Loss for the period 27th February 2017 to 31st March, 2018

Amount in ₹ Lakhs

	Notes	For the period ended 31st March, 2018
I Revenue from operations	11	357.74
II Other income	12	0.03
III <b>Total income</b>		<b>357.77</b>
IV <b>Expenses</b>		
Finance costs	13	141.23
Depreciation and amortisation expenses	3	771.71
Other expenses	14	23.85
<b>Total Expenses</b>		<b>936.79</b>
V <b>Profit / (Loss) Before Tax</b>		<b>(579.02)</b>
VI <b>Tax Expense</b>		
Current tax expense		-
Deferred tax expense		-
VII <b>Profit / (Loss) for the period</b>		<b>(579.02)</b>
VIII <b>Other comprehensive income</b>		-
IX <b>Total comprehensive income / (expense) for the period</b>		<b>(579.02)</b>
X <b>Earnings / ( Loss ) per equity share (face value of ₹ 10/- per share)</b>		
Basic (₹)	19	(110.29)
Diluted (₹)	19	(110.29)

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, 23rd April, 2018.

For and on behalf of the Board,

  
Rahul C Shah  
Director

  
Vasudev Naik  
Director

  
Jinendra V Patil  
Director

Mumbai, 23rd April, 2018.

## Vagarai Windfarm Limited

### Statement of cash flows for the period 27th February 2017 to 31st March, 2018

Amount in ₹ Lakhs

	<b>For the period ended 31st March, 2018</b>	
<b>A) Cash Flow from Operating Activities</b>		
Profit / (Loss) before tax		(579.02)
<b>Adjustments for :</b>		
Depreciation and Amortisation Expense	771.71	
Finance Cost	141.23	
Interest Income	(0.03)	912.91
<b>Operating profit before working capital changes</b>		<b>333.89</b>
<b>Working Capital Adjustments</b>		
Adjustments for (increase) / decrease in operating assets:		
Unbilled revenue	(126.90)	(126.90)
Adjustments for increase / (decrease) in operating liabilities:		
Trade payables	13.17	
Other current liabilities	14.06	27.23
<b>Cash flow from operations</b>		<b>234.22</b>
Income tax paid		-
<b>Net cash generated from operating activities</b>		<b>234.22</b>
<b>B) Cash Flow from Investing Activities</b>		
Payments for property, plant and equipment	(11,818.06)	
Investment in Fixed Deposits	(0.50)	
<b>Net cash flow used in investing activities</b>		<b>(11,818.56)</b>
<b>C) Cash flow from Financing Activities</b>		
Proceeds from issue of Equity shares	52.50	
Interest paid	(213.77)	
Proceeds from Long term borrowings	11,842.00	
Repayment of Long term borrowings	(40.00)	
<b>Net cash generated from financing activities</b>		<b>11,640.73</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>		<b>56.39</b>
<b>Cash and cash equivalents at the beginning of the year</b>		<b>-</b>
<b>Cash and cash equivalents at the end of the period</b>		<b>56.39</b>
<b>Cash and cash equivalents comprises</b>		
Balance with banks		56.39
(a) in current account		56.39

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,

  
Rahul C Shah  
Director

  
Vasudev Naik  
Director

  
Jinendra V Patil  
Director

Mumbai, 23rd April, 2018.

Mumbai, 23rd April, 2018.

# Vagarai Windfarm Limited

## Statement of changes in equity

### A. Equity Share Capital

Equity share capital issued during the period  
Balance as at 31st March, 2018

Amount in ₹ Lakhs
52.50
<b>52.50</b>

### B. Other equity

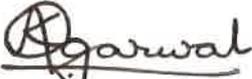
	Amount in ₹ Lakhs	
	Retained earnings	Total
(Loss) for the period	(579.02)	(579.02)
Total comprehensive (Expense) for the period	(579.02)	(579.02)
<b>Balance as at 31st March, 2018</b>	<b>(579.02)</b>	<b>(579.02)</b>

See accompanying notes forming part of the financial statements

For S R B C & Co LLP

Chartered Accountants

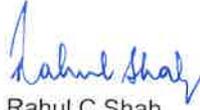
ICAI Firm registration number: 324982E/E300003



per Abhishek Agarwal  
Partner  
Membership No.: 112773



For and on behalf of the Board,



Rahul C Shah  
Director



Vasudev Naik  
Director



Jinendra V Patil  
Director

Mumbai, 23rd April, 2018.

Mumbai, 23rd April, 2018.



**Note 1 Corporate information:**

Vagarai Windfarm Limited (hereinafter referred to as 'the Company' or 'VWL') was incorporated on 27 February 2017 and is engaged primarily in the business of generation and supply of energy from wind turbines under Group Captive business model. During the period ended 2017-18, the Company has commissioned 21 MW wind turbine power plant and commenced revenue operations at Tirupur, Tamilnadu.

Tata Power Renewable Energy Limited (Wholly owned subsidiary of The Tata Power Company Ltd) holds 72% of the shareholding of the company and remaining 28% shareholding is held by the group captive consumers.

Under the Group Captive business model, as per the Electricity Act 2003, (as amended) the group captive consumers are required to hold not less than 26 percent of the equity share capital and should consume not less than 51 percent of the generated electricity from the group captive plant in a year. The consumption of electricity should be in the proportion of the equity held by the group captive consumers with a variation not exceeding 10 percent.

The financial statements are prepared in Indian Rupees.

**2. Significant accounting policies**

**2.1 Statement of compliance**

The financial statements of the company comprising of balance sheet, statement of profit and loss account, statement of change in equity and cash flow statement together with the notes to accounts have been prepared in accordance with the Indian Accounting Standards ("IND AS") as 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 on the transition date.

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, assumptions and judgements**

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.



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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.

The areas involving critical estimates and judgements are estimated life of property, plant and equipment (note 2.7), recognition of deferred tax assets and liability (note 2.6.2).

## **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 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 Power is recognised on an accrual basis on the basis of billings to Captive consumers and includes unbilled revenues accrued upto the end of the accounting period.

### **2.4.2. Delayed payment charges**

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

### **2.4.3 Interest income**

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 period. 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.

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 period**

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 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 written down value (WDV) method based on the useful life of the asset as specified under the Companies Act, 2013.

Estimated useful life of the assets are as follows:

Plant and Machinery: 22 years as per schedule II of the Companies Act, 2013

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 cash-generating units of Company 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).

## **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.



## Vagarai Windfarm Limited

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

#### 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 forms 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.

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 an 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:

- a) it has been incurred principally for the purpose of repurchasing it in the near term; or
- b) 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
- c) it is a derivative that is not designated and effective as a hedging instrument.



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## Vagarai Windfarm Limited

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

#### 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.

#### 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 and excludes bank overdraft.

#### **2.14 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.

#### **2.15 Earnings per share**

##### (i) Basic earnings per share

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the company
- 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 effect 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.

**2.16 Standards issued but not yet effective**

**2.16.1 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.

**2.16.2 Amendments to Ind AS 12 - Recognition of Deferred Tax Assets for Unrealised Losses**

The amendments clarify that an entity needs to consider whether tax law restricts the sources of taxable profits against which it may make deductions on the reversal of that deductible temporary difference. Furthermore, the amendments provide guidance on how an entity should determine future taxable profits and explain the circumstances in which taxable profit may include the recovery of some assets for more than their carrying amount.

Entities are required to apply the amendments retrospectively. However, on initial application of the amendments, the change in the opening equity of the earliest comparative period may be recognised in opening retained earnings (or in another component of equity, as appropriate), without allocating the change between opening retained earnings and other components of equity. Entities applying this relief must disclose that fact.

These amendments are effective for annual periods beginning on or after 1 April 2018. These amendments are not expected to have any impact on the company as the company has no deductible temporary differences or assets that are in the scope of the amendments.



# Vagarai Windfarm Limited

## Notes forming part of Financial Statements

Amount in ₹ Lakhs

### 3. Property, Plant and Equipment

Description	Plant and Equipment	Total
<b>Cost</b>		
Additions during the period	13,549.58	13,549.58
Disposals during the period	-	-
<b>Balance as at 31st March 2018</b>	<b>13,549.58</b>	<b>13,549.58</b>
<b>Accumulated depreciation and impairment</b>		
Depreciation Expense for the period	771.71	771.71
<b>Balance as at 31st March , 2018</b>	<b>771.71</b>	<b>771.71</b>
<b>Carrying amount</b>		
<b>As at 31st March, 2018</b>	<b>12,777.87</b>	<b>12,777.87</b>



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# Vagarai Windfarm Limited

## Notes forming part of Financial Statements

Amount in ₹ Lakhs

### 4A Cash and Cash Equivalents

	<u>As at</u> <u>31st March,2018</u>
Balances with banks in current accounts	56.39
<b>Cash and cash equivalents as per balance sheet</b>	<b>56.39</b>

### 4B Other Financial Assets

#### Non-Current Financial assets

##### Other Deposits:

Fixed Deposits with bank more than 1 year	0.50
Interest accrued on bank deposits	0.03
	<b>0.53</b>



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# Vagarai Windfarm Limited

## Notes forming part of Financial Statements

Amount in ₹ Lakhs

### 5. Deferred Tax Balances

#### A. Deferred Tax assets

(953.63)

#### B. Deferred Tax Liabilities

953.63

#### Deferred Tax (Asset) / Liability Net

-

2017-18	Opening Balance	Recognised in P&L	Closing Balance
Deferred tax asset relating to: - Unabsorbed depreciation	-	(953.63)	(953.63)
Deferred tax liabilities relating to: - Property, plant and equipment	-	953.63	953.63
	-	-	-

Unrecognised deferred tax asset on unabsorbed depreciation is Rs.168.61 lakhs



## Vagarai Windfarm Limited

### Notes forming part of Financial Statements

		Amount in ₹ Lakhs
		As at
		31st March, 2018
<b>6. Equity Share Capital</b>		
<b>Authorised Share Capital</b>		
10,00,000 fully paid equity shares of ₹ 10 each		100.00
<b>Issued Share Capital</b>		
525,000 fully paid equity shares of ₹ 10 each		52.50
<b>Subscribed and fully paid up Share Capital</b>		
525,000 fully paid equity shares of ₹ 10 each		52.50
		<u>52.50</u>

**a. Reconciliation of number of shares and amount outstanding at the end of the reporting period**

**Equity shares**

		As at	
		31st March, 2018	
	Numbers	Rupees in Lakhs	
Equity shares issued during the period	5,25,000		52.50
<b>Outstanding at the end of the period</b>	<u>5,25,000</u>		<u>52.50</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.

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. Details of Shareholders holding for more than 5% of the share capital**

		31st March, 2018	
Equity Shares	Numbers	Rupees in Lakhs	
Tata Power Renewable Energy Limited	3,78,000		37.80
TRIL Infopark Limited	1,17,600		11.76
Mr. S A Murugunathan jointly with Mrs. M Prema	29,400		2.94
	<u>5,25,000</u>		<u>52.50</u>

**7. Other equity**

**A. Retained Earnings**

		As at
		31st March, 2018
Loss for the period		(579.02)
<b>Closing Balance</b>		<u>(579.02)</u>





# Vagarai Windfarm Limited

## Notes forming part of Financial Statements

	Amount in ₹ Lakhs
<b>9. Other Financial Liabilities</b>	
	<b>As at 31st March,2018</b>
<b>A Current</b>	
Current Maturities of long term debt from holding company	306.16
Interest on Loan from Holding company	0.32
Payable on Purchase of Fixed Asset	2,179.87
	<b>2,486.35</b>
<b>10. Other Current liabilities</b>	
	<b>As at 31st March,2018</b>
Statutory Liabilities	14.06
	<b>14.06</b>



# Vagarai Windfarm Limited

## Notes forming part of Financial Statements

Amount in ₹ Lakhs

### 11. Revenue from Operations

#### (a) Revenue from Operations

Revenue from Power Supply	357.74
<b>Total</b>	<b>357.74</b>

For the period ended  
31st March,2018

### 12. Other Income

#### (a) Interest Income on Financial Assets held at Amortised Cost

Interest on Banks Deposits	0.03
<b>Total</b>	<b>0.03</b>

For the period ended  
31st March,2018

### 13. Finance Costs

#### (a) Interest Expense: Borrowings

Interest on - Loans from holding company	214.09
	214.09
Less: Interest Capitalised	72.87
	141.22

#### (b) Other Borrowing Cost:

Other Finance Costs	0.01
	0.01
Less: Finance Cost Capitalised	-
	0.01

**Total**

**141.23**



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# Vagarai Windfarm Limited

## Notes forming part of Financial Statements

Amount in ₹ Lakhs

### 14. Other Expenses

	<u>For the period ended 31st March,2018</u>
Rental of Land, Buildings, Plant and Equipment, etc.	0.16
Insurance	2.00
Other Operation Expenses	1.13
Travelling and Conveyance Expenses	0.30
Consultants' Fees	17.25
Auditors' Remuneration	2.36
Other Fees	0.65
<b>Total</b>	<b><u>23.85</u></b>

### Payment to Auditors

	<u>For the period ended 31st March,2018</u>
Payment to the auditors comprises (inclusive of GST):	
As Auditors - Statutory Audit	2.00
For GST	0.36
<b>Total</b>	<b><u>2.36</u></b>

### 15. Contingent Liabilities:

As at 31st March, 2018 the company has no contingent liabilities.

### 16. Capital Commitment :

As on 31st March,2018 there are no capital commitment.

17. The Company's material related party transactions and outstanding balances are with fellow subsidiaries and holding company, with whom the Company routinely enters into transactions in the ordinary course of business.



## Vagarai Windfarm Limited

### Notes forming part of Financial Statements

#### 18. 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)	India
Fellow Subsidiary Tata Power Trading Company Ltd (TPTCL)	India

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

Particulars	Amount in ₹ lakhs		
	TPCL	TPREL	TPTCL
Loan taken	-	11,842.00	-
Loan repaid	-	40.00	-
Interest charged	-	214.09	-
Reimbursement of expenses	-	52.14	-
Project Management Service Charge / Consultancy charges	32.55	-	6.46
<b>Balance Outstanding:</b>			
Loan taken outstanding ( including interest accrued)	-	11,802.32	-
Other Payables	2.66	1,000.36	3.56

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



## Vagarai Windfarm Limited

### Notes forming part of Financial Statements

#### 19. Earnings / (Loss) per Share:

Amount in ₹ Lakhs

Particulars	For the period ended 31st March, 2018
Net loss for the period attributable to equity shareholders (₹ lakhs)	(579.02)
Weighted Average Number of Equity Shares for Basic EPS (Nos in lakhs)	5.25
Par value per equity share (₹)	10.00
Basic Earnings Per Share (₹)	(110.29)
Diluted Earnings Per share (₹)	(110.29)

#### 20. 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:

	Amount in ₹ lakhs
	For the period ended 31st March, 2018
Debt (i)	11,802.00
Cash and Bank balances (including cash and bank balances in a disposal group held for sale)	56.39
<b>Net debt</b>	<b>11,745.61</b>
<b>Total Equity (ii)</b>	<b>(526.52)</b>
<b>Net debt to equity ratio (%)</b>	<b>-2230.79%</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.

(iii) The debt is given by parent company & dependent upon continued financial support of the holding company.

##### (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.11,802 lakh as funding from holding company out of which Rs 7,654 lakh bearing interest rate of 9.25% payable quarterly and Rs 4,148 lakh at 12% interest payable annually. The Company is dependent upon continued financial support from the holding company.

The maturity profile of the financial liabilities are listed

Expected maturity for financial Liabilities	Amount in ₹ Lakhs				
	Up to 1 year	2 to 5 years	5+ years	Total	Carrying Amount
<b>31st March, 2018</b>					
Borrowings (including current maturity)	306.16	1,224.64	10,271.20	11,802.00	11,802.00
Interest payable on above borrowings	1,198.68	4,511.50	9,994.53	15,704.71	15,704.71
Trade Payables	13.17	-	-	13.17	13.17
Other Financial Liabilities	2,180.19	-	-	2,180.19	2,180.19

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.



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## Vagarai Windfarm 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	
	50 bps increase	50 bps decrease
Interest expense on loan	(+) Rs.11.42 lakhs	(-) Rs.11.42 lakhs
Effect on profit before tax	(-) Rs.11.42 lakhs	(+) Rs.11.42 lakhs

#### 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 average credit period for the Company's receivables from its generation services from its captive consumers is in the range of 7 to 15 days. The generated energy is primarily sold to Captive consumers who are the share holders of the company, hence the credit risk is very low

#### Fair Value Measurement:

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

Particulars	Amount in ₹ Lakhs		
	Amortised Cost	Total Carrying Value	Total Fair Value
<b>Assets :</b>			
Cash and Cash Equivalents	56.39	56.39	56.39
Unbilled Revenue	126.90	126.90	126.90
<b>Total</b>	<b>183.29</b>	<b>183.29</b>	<b>183.29</b>
<b>Liabilities</b>			
Borrowings (includes current maturity)	11,802.00	11,802.00	11,802.00
Trade Payables	13.17	13.17	13.17
Other Financial Liabilities	2,180.19	2,180.19	2,180.19
<b>Total</b>	<b>13,995.36</b>	<b>13,995.36</b>	<b>13,995.36</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.

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):

As at 31.03.2018	Amount in ₹ Lakhs			
	Level 1	Level 2	Level 3	Total
<b>Financial Assets</b>	-	-	-	-
<b>Financial Liabilities</b>	-	-	-	-
<b>Total</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.

Borrowing 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 the fair value.



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## Vagarai Windfarm Limited

### Notes forming part of Financial Statements

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.

#### 22. 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.

#### 23. Approval of financial statements:

The financial statements were approved by the board of director's on 23rd April, 2018.

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

  
per Abhinav Agarwal  
Partner

Membership No.: 112773



Mumbai, 23rd April, 2018.

For and on behalf of the Board,



Rahul C Shah  
Director



Vasudev Naik  
Director

  
Jitendra V Patil  
Director

Mumbai, 23rd April, 2018.