

# **23<sup>rd</sup> ANNUAL REPORT 2017 -18**



**INDOWIND ENERGY LIMITED**



## INDOWIND ENERGY LIMITED

### BOARD OF DIRECTORS

Mr. Bala V Kutti	-	Chairman
Mr. K S Ravindranath	-	Whole Time Director
Mr. Niranjana R Jagtap	-	Independent Director
Dr. K.R. Shyamsundar	-	Independent Director
Ms. Alice Chhikara	-	Director

### COMPANY SECRETARY

Ms. Harsha J

### AUDITORS

#### STATUTORY

M/s. Sanjiv Shah & Associates  
Chartered Accountants

#### Address :

80, Adarsha Appartments IIInd Floor  
Vepery High Road, Chennai - 600 007.  
Email : mail@ssaca.in

#### SUBSIDIARY

Indowind Power Pvt. Ltd.

#### INTERNAL

S. Vasudevan & Associates  
Chartered Accountants

#### Address :

B1-H2 Newtech Indira, Jafferkhanpet,  
Ashok Nagar, Chennai- 600 083.

#### BANKERS

DCB Bank Limited  
Axis Bank Limited

#### REGISTERED OFFICE

"Kothari Buildings", 4<sup>th</sup> Floor, 114, M.G. Road,  
Nungambakkam, Chennai - 600 034.  
Tel : 044-28330867 / 28331310 Fax : 044-28330208.  
E-mail : contact@indowind.com / Website : www.indowind.com

### 23<sup>rd</sup> ANNUAL REPORT FOR THE YEAR 2017-18

Notice to Shareholders.....	2
Directors' Report.....	9
Secretarial Audit Report.....	29
Report on Corporate Governance .....	32
Certificate on Corporate Governance .....	44
Auditors' Report .....	45
Balance Sheet .....	54
Profit & Loss Account .....	55
Cash Flow Statement .....	56
Notes on Accounts .....	59
<b>CONSOLIDATED FINANCIAL STATEMENTS</b>	
Auditors' Report .....	101
Balance Sheet .....	106
Profit & Loss Account .....	107
Cash Flow Statement .....	108
Notes on Accounts.....	111
Attendance Slip.....	153
Proxy Form .....	155



## INDOWIND ENERGY LIMITED

**NOTICE** is hereby given that 23<sup>rd</sup> Annual General Meeting of Indowind Energy Limited having CIN: L40108TN1995PLC032311 will be held at **The Music Academy, New No. 168, T.T.K. Road, Royapettah, Chennai- 600 014, on Thursday, 27<sup>th</sup> September 2018 at 4:00 PM** to transact the following businesses.

### **ORDINARY BUSINESS:**

1. To consider and adopt the Audited Financial Statements of the Company for the financial year ended March 31, 2018 and the Reports of the Board of Directors and the Auditors thereon.
2. To appoint a Director in the place of **Mr. Bala V. Kutti** (Director Identification No.00765036) who retires by rotation and being eligible offers himself for reappointment.
3. Appointment of Auditors.

To consider and if thought fit, to pass, with or without modification, the following resolution as an ordinary resolution:

**“RESOLVED THAT** pursuant to the provisions of section 139 of the Companies Act, 2013 and the Rules made thereunder M/s. Sanjiv Shah & Associates, Chartered Accountants, Chennai (ICAI Firm Registration No.003572S) be and are hereby appointed as Statutory Auditors of the company to hold the office from the conclusion of this Annual General Meeting until the conclusion of the 24<sup>th</sup> Annual General Meeting, and that the Board of Directors be and is hereby authorized to fix such remuneration as may be recommended by the Audit committee in consultation with the Auditors.”

### **SPECIAL BUSINESS:**

4. **RE-APPOINTMENT OF Mr. K.S. RAVINDRANATH, (DIN No: 00848817) AS WHOLE TIME DIRECTOR:**

To consider and, if thought fit, to pass with or without modification, the following Resolution as a Special Resolution:

**“RESOLVED THAT** pursuant to the provisions of Sections 196, 197 and other applicable provisions of the Companies Act, 2013, read with Schedule V of the Act, the Articles of Association and subject to such approvals as may be required, consent of the Company, be and is hereby accorded for the re-appointment of Mr. K.S. Ravindranath, (DIN No. 00848817) as the Whole time Director of the Company for the period of 3 years with effect from 01.11.2018 to 31.10.2021 upon the terms and conditions set out in Explanatory Statement annexed to the Notice convening this Annual General Meeting, with authority to the Board of Directors to alter and vary the terms and conditions of the said appointment in such manner as may be agreed between the Board of Directors and Mr. K.S. Ravindranath.”

**“RESOLVED FURTHER THAT** the Board or a Committee thereof be and is hereby authorized to take all such steps as may be necessary, proper and expedient to give effect to this resolution.”



**5. ALTERATION OF MEMORANDUM OF ASSOCIATION AND ARTICLES OF ASSOCIATION AS PER THE PROVISIONS OF THE COMPANIES ACT, 2013 AND RULES MADE THERE UNDER:**

To consider and, if thought fit, to pass with or without modification, the following Resolution as a Special Resolution:

**“RESOLVED THAT** the existing Memorandum of Association of the Company be and are hereby substituted by the new set of Memorandum of Association, pursuant to the provisions of Section 4, 13 and other applicable provisions of the Companies Act, 2013 read with Companies (Incorporation) Rules, 2014 (including any statutory modification(s), enactment(s) or re-enactment(s) thereof for the time being in force) and in accordance with the Table A of Schedule I of the Act.”

**“RESOLVED FURTHER THAT** the existing Articles of Association of the Company be and are hereby substituted by the new set of Articles of Association, pursuant to the provisions of Section 5, 14 and other applicable provisions of the Companies Act, 2013 read with Companies (Incorporation) Rules, 2014 (including any statutory modification(s), enactment(s) or re-enactment(s) thereof for the time being in force) and in accordance with the Table F of Schedule I of the Act.”

**“RESOLVED FURTHER THAT** the Board be and is hereby authorized to take all such steps and actions for the purpose of making all such filings and registrations as may be required in relation to the aforesaid alteration to the Memorandum of Association and Articles of Association and further to do all such acts and deeds, matters and things as may be deemed necessary to give effect to this resolution.”

**NOTES:**

- 1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIM/HER SELF AND THE PROXY NEED NOT BE A MEMBER.**
2. The Proxy form duly completed stamped and signed should reach the Registered Office of the Company not less than 48 hours before the commencement of the meeting.
3. Members seeking any information are requested to write to the company at least 10 days in advance so as to enable the company to keep the information ready.
4. Members are requested to bring their copy of the Annual Report to the Meeting.
5. Members are requested to bring with them the Attendance slip and hand it over at the entrance duly filled in and signed by them
6. The Register of Members and Share Transfer Book will remain closed from **21.09.2018 to 27.09.2018** (both days inclusive)



## INDOWIND ENERGY LIMITED

7. The related Explanatory statements pursuant to Sec 102 of the Companies Act, 2013 setting out all the material facts concerning item No. 4 & 5 are annexed herewith.
8. Members who have not registered their e-mail addresses so far are requested to register their e-mail address for receiving all communication including Annual Report, Notices, Circulars, etc. from the Company electronically. Soft copies of the Annual Report are being sent to all the members who have registered their e-mail addresses with their Depository Participants. However, if any member requires a hard copy, they may make a request in writing to the company secretary in this regard.
9. Corporate members intending to send their authorized representatives to attend the meeting are requested to send a certified copy of the Board resolution authorizing their representative to attend and vote on their behalf at the meeting.
10. Member are requested to inform their change of address (with PIN code) e-mail id, nominations, etc., to the Registrars and share Transfer Agents (RTA) of the Company in respect of shares held in physical form and their Depository participants in respect of shares held in electronic form.
11. Information regarding the Directors proposed to be re-appointed pursuant to SEBI (Listing Obligations and Disclosure requirements) Regulations, 2015.
12. Pursuant to the provision of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is offering e-voting facility to its members in respect of the business to be transacted at the AGM scheduled to be held on **27<sup>th</sup> September 2018 Thursday, at 4:00 pm** with a request to follow the instructions for voting electronically as under:-

The voting period begins **24<sup>th</sup> September 2018 at 9:00 a.m. and ends on 26<sup>th</sup> September 2018 at 5:00 p.m.** During this period the shareholders of the Company, holding shares either in physical form or in dematerialized form as on the cut-off date (**record date 20<sup>th</sup> September 2018**) may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

In case of member receiving e-mail:

- i. Log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com) during the voting period.
- ii. Click on "Shareholders"
- iii. Now, select "INDOWIND ENERGY LIMITED" from the drop down menu and click on "SUBMIT"
- iv. Now Enter your User ID
  - a) For CDSL: 16 digits beneficiary ID.
  - b) For NSDL: 8 Character DP ID followed by 8 Digits Client ID.
  - c) Members holding shares in Physical form should enter Folio Number registered with the Company.



## INDOWIND ENERGY LIMITED

- v. Next enter the image Verification as displayed and Click on Login.
- vi. If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any Company, then your existing password is to be used.
- vii. If you are a first time use follow the steps given below:

For Members holding shares in Demat Form and Physical Form	
PAN	Enter your 10 digit alpha-numeric "PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) "Members who have not updated their PAN with the Company Depository Participant their name and the last 8 digits of the demat account/folio number in the PAN field.  In case the folio number is less than 8 digits, enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with folio number 100 then enter RA00000100 in the PAN field.
DOB #	Enter the Date of Birth as recorded in your demat account or in the Company records for the said demat account of folio in dd/mm/yyyy format.
Dividend Bank Details #	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.  # Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the number of shares held by you as on the cutoff date in the Dividend Bank details field.

- viii. After entering these details appropriately, click on "SUBMIT" tab.
- ix. Members holding shares in physical form will then reach directly the EVSN selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other Company on which they are eligible to vote, provided that Company opts they are eligible to vote provided that Company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- x. For members holding shares in physical form the details can be used only for e-voting on the resolutions contained in this Notice.
- xi. Click on the EVSN of "INDOWIND ENERGY LIMITED" on which you choose to vote.
- xii. On the voting page, you will see Resolution Description and against the same the option "YES/NO" for voting Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.



## INDOWIND ENERGY LIMITED

- xiii. Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- xiv. After selecting the resolution you have decided to vote on click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on 'OK' else to change your vote, click on “CANCEL” and accordingly modify your vote.
- xv. Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- xvi. You can also take out print of the voting done by you by clicking on “click here to print' option on the Voting page.
- xvii. If Demat account holder has forgotten the password then enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- xviii. Note for institutional Shareholders.
  - Institutional shareholders (i.e. other than individuals, HUF, NRI ect.) are required to log on to <https://www.evotingindia.co.in> and register themselves as Corporates.
  - A scanned copy of Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com)
  - After receiving the login details they have to create a corporate user who would be able to link the account(s) for which they wish to vote on.
  - The list of accounts should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
  - In case you have any queries or issues regarding e-voting you may contact company secretary Ms. Harsha J on 044 – 2833 1310 or [harsha@indowind.com](mailto:harsha@indowind.com)
  - In case you have any queries or issues regarding e-voting you may refer the Frequently Asked Questions (“FAQ”) and e-voting manual available at [www.evotingindia.co.in](http://www.evotingindia.co.in) under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com)
  - The Company has appointed Mr.R.Kannan, Practicing Company Secretary, Chennai (C.P. No. 3363) to act as scrutinizer for conducting the electronic voting process in a fair and transparent manner.
  - In case of members receiving the physical copy, please follow all steps from Sl. No. (i) to Sl. No. (xviii) above to cast vote.
  - The voting rights of the shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date (record date) 20<sup>th</sup> September 2018.
  - A copy of this Notice has been placed on the website of the Company and the website of CDSL.



## **INDOWIND ENERGY LIMITED**

13. The Scrutinizer shall within a period not exceeding three (3) working days from the conclusion of the e-voting period unblock the votes in the presence of at least two (2) witness not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman or a person authorized by him in writing will disclose the results forthwith. The Results declared along with the Scrutinizer's Report shall be placed on the Company's / CDSL's website within two (2) days of passing of the resolutions at the AGM of the Company and communicated to the Stock Exchange.

The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the company as on 20<sup>th</sup> September 2018.

Members who did not cast their vote through e-voting during the evoting period shall be allowed to cast their vote at the AGM through ballot paper. Members who have voted through evoting can attend the meeting but cannot vote again through ballot paper at AGM.

**BY ORDER OF THE BOARD  
For INDOWIND ENERGY LIMITED**

**HARSHA J**

Company Secretary

Place: Chennai - 600 034.

Date: 08<sup>th</sup> June 2018.





**ANNEXURE TO NOTICE  
EXPLANATORY STATEMENTS PURSUANT TO SECTION 102  
OF THE COMPANIES ACT, 2013**

**Item No.4**

The period of appointment of Mr.K.S. Ravindranath, as Whole Time Director gets completed on October 31, 2018. The Remuneration Committee recommends the Board of Directors in their meeting held on **8<sup>th</sup> June, 2018** reappointing him as Whole Time Director on the following terms and conditions, subject to the approval of the Members of the Company.

- a. Nature of Appointment: Contractual
- b. Remuneration (Per Month) Rs. 2,00,000 (Rupees Two Lacs Only) including perquisite as per the policy of the Company.
- c. An upward revision of 20% in the remuneration will be considered provided be net profit attained by the Company is Rs. 5 Crores and above.

**Minimum Remuneration**

In the event of loss, absence of inadequacy of profits, in any financial year during the currency of tenure of Mr.K.S. Ravindranath, the remuneration aforesaid shall be the minimum remuneration payable to him with the approval of the Central Government, if required.

None of the Directors of the Company except Mr. Bala.V.Kutti Chairman of the Company is interested or deemed to be interested or concerned in the resolution proposed at Item no. 4 of the notice.

The Board of Directors recommends the special resolution set out at Item No.4 of the Notice for approval by the Members.

**Item No.5**

The Companies Act, 2013 deals with the general functioning of companies. The existing Memorandum of Association (MOA) and Articles of Association (AOA) of the Company was formulated based on the provisions of the Companies Act, 1956 and therefore contains certain provisions which are not in line with the provisions of the Act. It is proposed to replace the existing MOA and AOA of the Company with a new set of Memorandum and Articles aligned with the provisions of the Act, including the rules framed thereunder.

As per the provisions of Section 4 and 13 of the Companies Act, 2013, alteration of the MOA of the Company needs to be approved by the Members of the Company.

As per the provisions of Section 5 and 14 of the Companies Act, 2013, alteration of the AOA of the Company needs to be approved by the Members of the Company.

The Board of Directors at their meeting held on **8<sup>th</sup> June, 2018** has accorded approval for adoption of a new set of MOA and AOA in substitution, and to the entire exclusion of the existing MOA and AOA. The Board of Directors recommends the Special Resolution mentioned for approval by the Members.

The proposed MOA and AOA are available on the Company's website [www.indowind.com](http://www.indowind.com) for perusal by the Members.

None of the Directors of the Company is interested or deemed to be interested or concerned in the resolution proposed at Item no. 5 of the notice.



## INDOWIND ENERGY LIMITED

### REPORT OF THE DIRECTORS AND MANAGEMENT DISCUSSIONS AND ANALYSIS OF INDOWIND ENERGY LIMITED

To

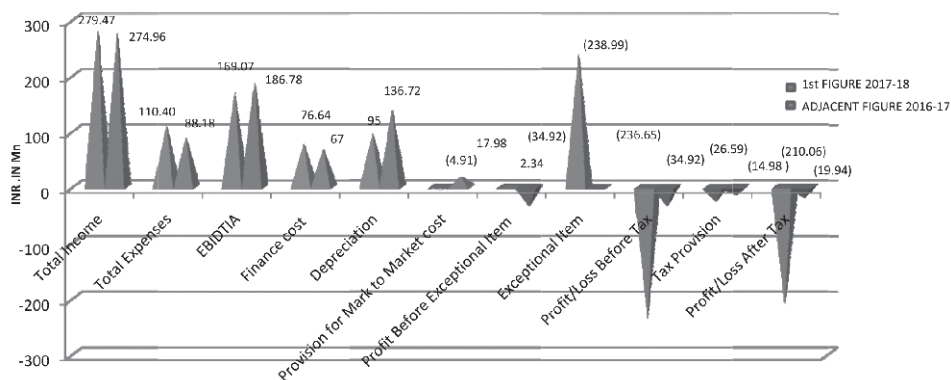
The Members

Your Directors are pleased to present this 23<sup>rd</sup> Annual Report of the Company together with the Audited Accounts for the year ended 31<sup>st</sup> March 2018.

#### **FINANCIAL HIGHLIGHTS AND PERFORMANCE**

INR In Million

PARTICULARS	2017-18	2016-17
Total Income	279.47	274.96
Total Expenses	110.40	88.18
EBIDTA	169.07	186.78
Finance cost	76.64	67
Depreciation	95	136.72
Provision for Mark to Market cost	(4.91)	17.98
Profit Before Exceptional Item	2.34	(34.92)
Exceptional Item	238.99	-
Profit/Loss Before Tax	(236.65)	(34.92)
Tax Provision	(26.59)	(14.98)
Profit/Loss After Tax	(210.06)	(19.94)

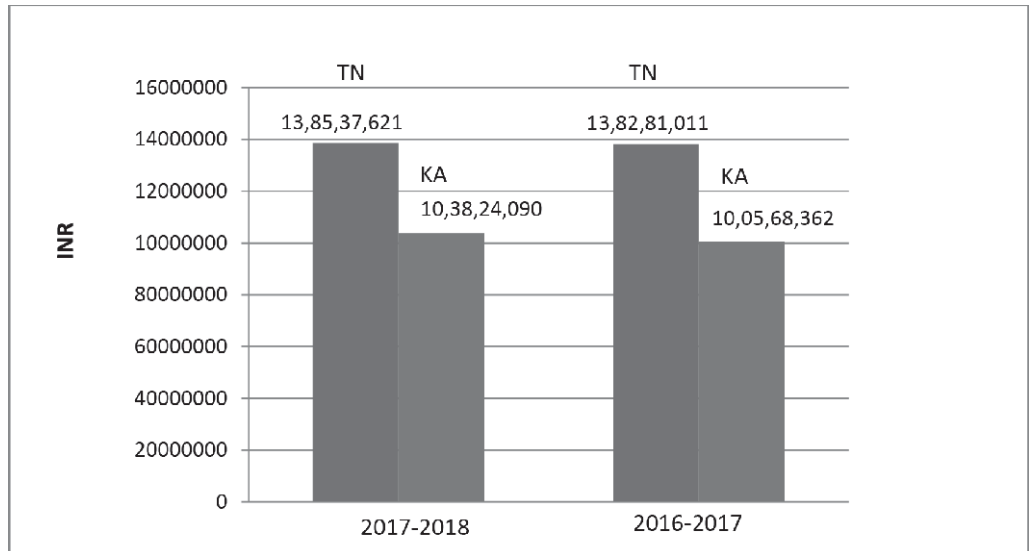




## INDOWIND ENERGY LIMITED

During the year under review, your Company's total income achieved is INR 279.47 Mn against INR 274.96 Mn of the previous year. The revenue growth is better compared to the previous year. The exceptional Item of INR 238.99 Mn for the current year has been allocated to Impairment of Plant and Machinery. Since your company has not achieved profit for the current year, your company is not in a position to recommend dividend for the year under review. Weakening of INR continuously and stagnant power prices are affecting the profitability. The company is considering other alternative options for accelerated growth. There are no Subsidiary / Joint Venture or Associate companies which ceased to exist during the year under review. The company has not issued any shares with differential voting rights, sweat equity shares or Employee's Stock Options during the year under review. No provision is made by your company for purchase of its own shares by employees or trustees for benefit of the Employees for the year under review.

### POWER SALE



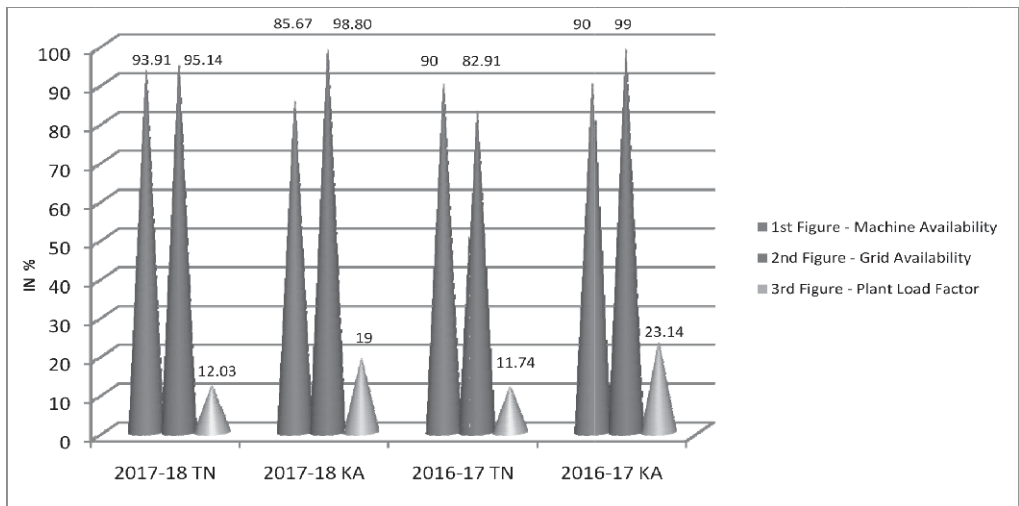


**MAKE CHANGES OF MACHINES:**

Under make changes of machine the company has made changes in 13 machines (4 machines of 250KW and 9 machines of 225KW) in the financial year 2017-18 as compared to 8 machines in the previous year 2016-17.

**MACHINE AVAILABILITY, GRID AVAILABILITY AND PLANT LOAD FACTOR (PLF) %:**

Year	States	Machine Availability	Grid Availability	Plant Load Factor (PLF)
2017-18	Tamil Nadu	93.91	95.14	12.03
2017-18	Karnataka	85.67	98.80	19.00
2016-17	Tamil Nadu	90.00	82.91	11.74
2016-17	Karnataka	90.00	99.00	23.14



Machine availability for TN is 93.91% and KA is 85.67%. Machine availability for TN and KA was 90% for the previous year which was dropped down because of K5 land dispute in the financial year under review. Disputes settled down through court during the financial year under review at Karnataka.

The improvement in Grid availability and PLF has resulted in better performance for the period under review.



## **PENDING CLAIMS**

Pending claims made by the Company as on 31.3.2018 amount to Rs.57.47 Cr. The list which is inclusive is provided under the financial statements annexed with this report.

## **OPERATIONAL PERFORMANCE**

1. The Company has achieved improvement of the WEGs performance and operational efficiency thereby ensuring around 90% machine availability.
2. The Company has completed an effective automation programme to reduce manual labour and associated costs thereby ensuring better operational control.
3. The company's efforts with the Indian Wind Power Association relating to implementation of forecasting mechanism has ensured optimum power evacuation during the wind season and helped avoid loss of generation due to grid availability.

## **ECONOMIC SCENARIO AND OUTLOOK:**

### **Indian Economy Overview**

The Economic Survey for 2017-18 had projected India's GDP growth to be 6.75% in Financial Year 2017-18 and expecting GDP to grow 7-7.5% in Financial Year 2019.

The National Council of Applied Economic Research (NCAER) has revised up its projections for the country's economic growth to 7.6 per cent for the current financial year, compared with the earlier forecast of 7.3 per cent. NCAER's projections are shade higher than Economic Survey which projected the GDP growth in the range of 6.75 per cent to 7.5 per cent for the current financial year. However, the World Bank has forecast growth to be just 7.2 per cent for the year.

While the Cental Statistics Office (CSO) estimated that nominal GDP in 2017-18 stood at 9.5% (Rs166.3 trillion), the Economic Survey put the figure at 10.5% (Rs167.8 trillion), a difference of Rs1.5 trillion. Had the government used the CSO estimate of GDP, fiscal deficit for 2017-18 would have been 3.6% of GDP higher than 3.5% of GDP achieved in 2016-17. This would have meant government has slipped from its commitment of fiscal consolidation. The finance ministry has assumed 11.5% nominal GDP growth in 2018-19 to reduce fiscal deficit to 3.3% of GDP against the earlier target of 3% of GDP.

The Economic Survey 2017-18 seems to suggest that the negative impact of demonetisation on the Indian economy may have finally come to an end. The Economic Survey, which is tabled in the Parliament ahead of the Union Budget, reviewed that the cash-to-GDP ratio had stabilized, which suggested a return to equilibrium. The survey cited exports and imports data to claim that the demonetisation effect was now over. The Economic Survey said that demonetization had led to Rs 2.8 lakh crores less cash and Rs 3.8 lakh crores less high denomination notes in the Indian economy. The Economic Survey 2017-18, forecasts a growth rate of 7 to 7.5 per cent for FY19, as compared to the expected growth rate of 6.75 per cent in FY18. Focus on private investments and exports, two truly sustainable engines of economic growth, will be crucial in improving the climate for rapid economic growth.



### RE potential and growth in India

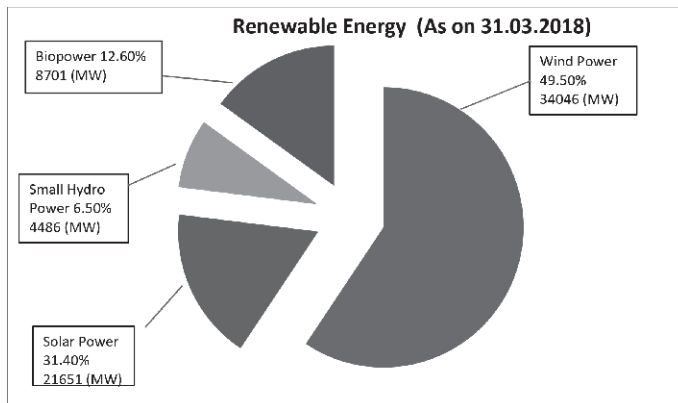
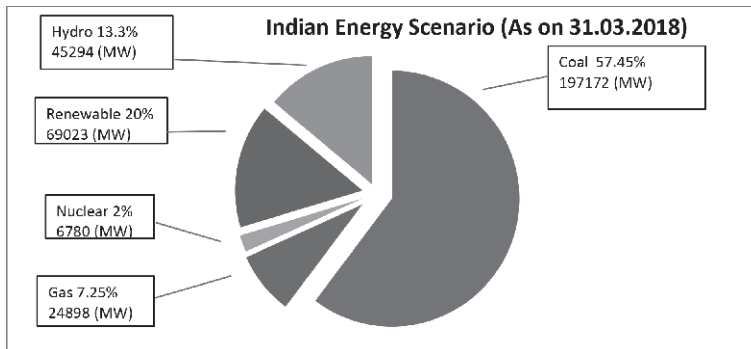
The renewable energy sector in India had nominal growth in the financial year 2017–18.

Ministry of New and Renewable Energy (MNRE) has increased their wind power capacity addition by adding over **1762.24 MW in 2017-18**.

The leading States in the wind power capacity addition during 2017-18 are Karnataka 758 MW, followed by Andhra Pradesh 344.10 MW and Tamil Nadu 335.64 MW. In addition Gujarat, Madhya Pradesh, Rajasthan, Maharashtra, and Kerala have reported 272.80 MW, 22.10 MW, 16 MW, 12.60 MW, and 1 MW wind power capacity addition respectively during 2017-18.

**In India, renewable energy currently accounts for about 20% of the total installed capacity of 343,167 MW.**

### RISKS AND CONCERNS





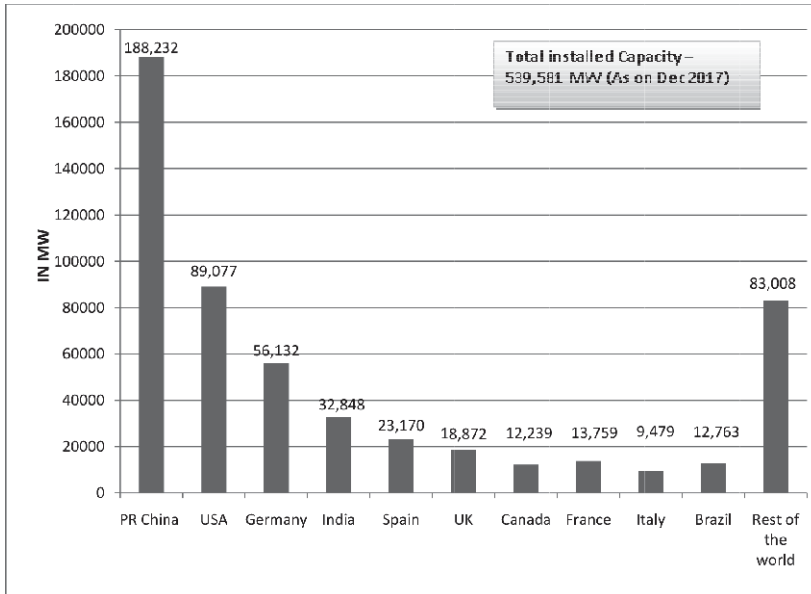
## INDOWIND ENERGY LIMITED

### WIND POWER CAPACITY INSTALLATIONS IN INDIA

#### INDIA - WIND POWER CAPACITY INSTALLATIONS FY 2017-18

S.No.	State	Total Installed till FY 16-17	Total Operational till FY 16-17	April'17	May'17	July'17	June'17	Aug'17	Sep'17	Oct'17	Nov'17	Dec'17	Jan'18	Feb'18	Mar'18	Total during FY17-18	Total Installed till FY 17-18	Total Operational till FY 17-18
1	Andhra	3619	3619	0	0	102.4	27.3	32	4.2	0	24	26	0	4.6	123.60	344.10	3963.00	3963.00
2	Gujarat	5430	5341	2	32.1	59.65	2	39.5	31.7	8.2	3	18.6	24.2	8.4	43.45	272.80	5702.30	5613.41
3	Karnataka	3751	3751	0	23.3	0	18.4	0	0	0	0	0	0	67.2	649.10	758.00	4509.45	4509.45
4	Kerala	51.9	51.9	0	0	0	0	0	0	0	0	0	0	0	1.00	1.00	52.90	52.90
5	Madhya	2498	2498	0	0	0	0	0	0	0	0	0	0	0	22.10	22.10	2519.90	2519.90
6	Mahara	4772	4771	0	0	0	0	0	0	6.3	0	0	0	0	6.30	12.60	4784.30	4783.98
7	Rajasthan	4282	4282	0	0	0	0	0	0	0	0	0	0	0	16.00	16.00	4297.65	4297.65
8	Tamilnadu	7861	7861	5.5	0	3.45	6.52	0	30.85	0.23	4.5	57	5	0	222.59	335.64	8197.08	8197.08
9	Telangana	100.8	100.8	0	0	0	0	0	0	0	0	0	0	0	0.00	0.00	100.80	100.80
10	Others	4.3	4.3	0	0	0	0	0	0	0	0	0	0	0	0.00	0.00	4.30	4.30
<b>Total</b>		<b>32369</b>	<b>32280</b>	<b>7.5</b>	<b>55.4</b>	<b>165.5</b>	<b>54.22</b>	<b>71.5</b>	<b>66.75</b>	<b>14.73</b>	<b>31.5</b>	<b>101.6</b>	<b>29.2</b>	<b>80.2</b>	<b>1084.14</b>	<b>1762.24</b>	<b>34131.68</b>	<b>34042.46</b>

### WIND INSTALLATION IN THE WORLD





## INDOWIND ENERGY LIMITED

1. The continued high interest rates and exchange fluctuation is a dampener for looking at new projects due to viability concerns.
2. Price of CERs has drastically reduced and the existing unsold CERs units will not result in meaningful revenue due to cost involved in renewal process.
3. Upgradation of transmission network & Green Power corridor work is still under progress from the Government's side.
4. Delay in obtaining clearances / approvals depends on Govt agencies & project size
5. Non-compliance of mandatory regulatory orders to enforce RPO mechanism still exists.
6. Introduction of Reverse bidding Mechanism by TANGEDCO is expected to put pressure on tariffs and net realization.
7. Implementation of Scheduling and forecasting from the IPPs like our company will put pressure on complying with the orders due to different makes and capacities of WEGs and age factor of WEGs due to requirement of retrofitting with necessary equipment in the WEGs.
8. The recent guidelines from TANGEDCO on slot to slot adjustments to group captive clients is being complied by us, but still clarification on TANGEDCO latest compliance methodology is required for effective compliance. Stay has been obtained on this unilateral order but its impact will be known based on the outcome of the judgement.

### OPPORTUNITIES

1. The management is considering adding upto 10 to 15 MW of Solar project in view of the policy push by the GOI & reduction of capex cost for Solar projects, but effect of GST implementation & lower tariff bidding needs to be considered carefully to ensure profitability.
2. Core Expertise: Wide expertise in the operations of wind farms from Pre Concept to Post Commissioning. Experienced employees with "willing to do" attitude with Proven Track record and Technical Expertise
3. Multiple projects capability: Wind assets are located across some of the best sites of the country, thereby enabling it to generate higher output. Our wind assets comprise of wind turbines of varied size and specification which are operated and maintained by our well trained technical teams across locations
4. Regulatory Support: The renewable sector has been primarily driven by supportive government policies be it in the form of tax incentives, capital subsidies, feed-in-tariffs, viability gap funding or renewable energy certificates. Must run status for Wind Energy has to be implemented in the draft RE Act, for which we are pitching in through various forums to influence the Government action.
5. Large Untapped Potential: The widening gap between demand and supply at present is





expected to continue in the future given the growing demand of power by industries and rising population, coupled with the continued shortage situation. The demand visibility makes the business extremely lucrative in the medium as well as long term.

6. Repowering of 15 years and above WEGs with latest technology provides an opportunity to improve generation as well as help in complying with latest guidelines of forecasting and scheduling, slot to slot adjustments, harmonics and LVRT implementations mandated by ERCs.

### **THREATS**

1. Growing Population of obsolete technology and ageing WEGs in high wind areas are increasing the cost per KWH of generation and thus making it unviable to operate, a favorable Repowering policy sorting out the gray areas will ensure phasing out of old machines to bring in new & upgraded machines on a large scale, to meet the Governments ambitious target of 60 GW wind power by 2020.
2. Increasing Competition: Rising popularity and greater familiarity with benefits associated with the sector may encourage others into entering the sector thereby resulting in increased competition which will have an impact on company's revenue.
3. Higher Finance Cost: The industry is faced with higher borrowing cost in absence of any support from the Government. Delay in obtaining the requisite approvals leads to cost overruns thereby impacting the financial viability of the project.
4. Vulnerability to Delays: Given the nature of the business, any lag or the delay on account of environmental factors (forest clearances) can result in cost escalation thereby affecting the viability of the project.
5. Increase in cost per MW price of WEGs with higher capacities and latest technology suitable for low wind regime combined with reduction in tariffs being competitive through Reverse bidding, exerts downward pressure on net realization from wind power sale.

### **UDAY SCHEME AND GREEN CORRIDOR UPDATE**

India's total wind and Solar power generation share in 2016-2017 is 14.3%. According to a recent report by the Institute for Energy Economics and Financial Analysis (IEEFA) Tamil Nadu is the top state in terms of variable renewable market share and installed renewable energy capacity.

The Union ministry of renewable energy has issued guidelines for setting up inter-state transmission system to evacuate wind power to the extent of 1000MW from windy states like Tamil Nadu, Andhra Pradesh and Rajasthan. The Tamil Nadu government is in talks with the central government to set up a dedicated Inter-State Green Energy Corridor to transmit the surplus wind energy to energy deficit states, to expedite the investments of around Rs 110 billion in renewable energy sector in the next three years.



## **INDOWIND ENERGY LIMITED**

The government has said that the takeover of Rs 228.15 billion debt from TANGEDCO in 2016-17 under the Ujjwal Discom Assurance Yojana (UDAY) by the central government has improved the financial position of TANGEDCO. The net loss of the State discom is estimated to come down from Rs 43.49 billion in 2016-17 to Rs 29.75 billion in 2017-18.

Work on India's first green energy corridor project has begun namely in Raigarh – Pugalur 800 kilovolt (KV) with an ultra high-voltage direct current (UHVDC) system aims to connect Raigarh in Central India to Pugalur in the Southern state of Tamil Nadu.

This link is a key element of integrating renewable energy with the main grid. It will integrate thermal and wind energy for transmission of power to high consumption centers located thousands of kilometers away, supporting electricity demands in the south and transmitting clean energy to the north, when there is excess wind power.

### **CORPORATE SOCIAL RESPONSIBILITY (CSR activity)**

The group has provided contributions to support local festivals and cultural activities in the site areas to encourage local population participation and encourage the local cultural heritage.

### **NUMBER OF MEETINGS OF THE BOARD**

Indowind Energy Limited held 7 Board Meetings during the year ended 31<sup>st</sup> March 2018. These were on 29<sup>th</sup> April 2017, 23<sup>rd</sup> May 2017 (Adjourned Meeting), 14<sup>th</sup> September 2017, 5<sup>th</sup> December 2017, 5<sup>th</sup> January 2018, 17<sup>th</sup> January 2018 and 13<sup>th</sup> February 2018.

### **DIRECTORS**

Mr. Bala V Kutti is retiring in the fourth coming 23<sup>rd</sup> AGM of the company and being eligible offers himself for re-appointment.

Your company is proposing Mr. K.S. Ravindranath as Whole Time Director for the period of three years and the information regarding his reappointment is provided in the notice convening the 23<sup>rd</sup> AGM of the company.

### **STATEMENT ON DECLARATION GIVEN BY INDEPENDENT DIRECTORS' UNDER SECTION 149 (6) OF COMPANIES ACT 2013**

The Company has obtained declaration from the Independent Directors that they meet the criteria of Independence as provided in section 149 (6) of the Companies Act 2013

### **DIRECTORS' RESPONSIBILITY STATEMENT**

Pursuant to Section 134 (3) (c) and 134 (5) of the Companies Act, 2013, the Board of Directors hereby state that;

1. In the presentation of the Annual accounts, applicable standards have been followed and there are no material departures.



2. The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March 2018 and profit for the Company for the year ended 31<sup>st</sup> March 2018.
3. The Directors have taken proper and sufficient care in the maintenance of adequate accounting records in accordance with the provisions of the Act for safe guarding the assets of the Company and for preventing and detecting fraud and other irregularities.
4. The Directors have prepared the annual accounts on a going concern basis; and
5. The Directors, had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively and
6. The Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

#### **POLICY FOR SELECTION AND APPOINTMENT OF DIRECTORS AND THEIR REMUNERATION**

The Nomination and Remuneration (N&R) Committee has adopted a Charter which, inter alia, deals with the manner of selection of Board of Directors, CEO, Managing Director and their remuneration. This policy is accordingly derived from the said charter.

##### **1. Criteria of Selection of Non-Executive Directors**

- a. The Non-Executive Directors shall be of high integrity with relevant expertise and experience so as to have a diverse Board with Directors having expertise in the fields of manufacturing, marketing, finance, taxation, law, governance and general management.
- b. In case of appointment of Independent Directors, the N&R Committee shall satisfy itself with regard to the independent nature of the Directors vis-à-vis the Company so as to enable the Board to discharge its function and duties effectively.
- c. The N&R Committee shall ensure that the candidate identified for appointment as a Director is not disqualified for appointment under Section 164 of the Companies Act, 2013.
- d. The N&R Committee shall consider the following attributes / criteria, whilst recommending to the Board the candidature for appointment as Director.
  - i. Qualification, expertise and experience of the Directors in their respective fields.
  - ii. Personal, Professional or business standing:
  - iii. Diversity of the Board.
- e. In case of re-appointment of Non-Executive Directors, the Board shall take into consideration the performance evaluation of the Director and their engagement level.



## **2. Remuneration :**

The Non-Executive Directors shall be entitled to receive remuneration by way of sitting fees, reimbursement of expenses for participation in the Board / Committee meetings.

- i. A Non-Executive Director shall be entitled to receive sitting fees for each meeting of the Board or Committee of the Board attended by him, of such sum as may be approved by the Board of Directors within the overall limits prescribed under the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel Rules, 2014).
- ii. The Independent Directors of the Company shall not be entitled to participate in the Stock Option Scheme of the Company, if any, introduced by the Company.

## **3. CEO, Managing Director / Whole Time Director – Criteria for selection / appointment**

For the purpose of selection of the CEO, Managing Director / Whole Time Director, the N&R Committee shall identify persons of integrity who possess relevant expertise, experience and leadership qualities required for the position and shall take into consideration recommendation, if any, received from any member of the Board.

The Committee will also ensure that the incumbent fulfills such other criteria with regard to age and other qualifications as laid down under the Companies Act, 2013 or other applicable laws.

## **4. Remuneration for the CEO, Managing Director / Whole Time Director**

- i. At the time of appointment or re-appointment, the CEO, Managing Director / Whole Time Director, shall be paid such remuneration as may be mutually agreed between the Companies (which includes the N&R Committee and the Board of Directors) and the CEO, Managing Director / Whole Time Director, within the overall limits prescribed under the Companies Act, 2013.
- ii. The remuneration shall be subject to the approval of the Members of the Company in General Meeting.
- iii. The remuneration of the CEO, Managing Director / Whole Time Director, comprises of salary allowances, perquisites, amenities and retrial benefits.

## **5. Remuneration Policy for the Senior Management Employees**

In determining the remuneration of the Senior Management Employees (i.e. KMPs and Executive Committee Members) the N&R Committee shall ensure / consider the following:

- i. The relationship of remuneration and performance benchmark is clear;
- ii. The remuneration comprising of salaries, perquisites and retirement benefits;
- iii. The remuneration including annual increment is decided based on the criticality of the roles and responsibilities, the Company's performance vis-à-vis the annual budget achievement.



- iv. N&R Committee will carry out the individual performance review based on the standard appraisal matrix and shall take into account the appraisal score card and other factors, whilst recommending the annual increment.

The remuneration is provided to all as per this Remuneration Policy which is adopted by the Company.

#### **AUDIT COMMITTEE**

A qualified and independent Audit Committee of the Board of the company is functioning. It monitors and supervises the Management's financial reporting process with a view to ensure accurate and proper disclosure, transparency and quality of financial reporting. The committee reviews the financial and risk management policies and also the adequacy of internal control systems and holds discussions with Statutory Auditors and Internal Auditors. This is enhancing the credibility of the financial disclosures of the company and also provides transparency.

The company continued to drive immense benefit from the deliberation of the Audit Committee comprising of **Mr. Nirajan R. Jagtap, Dr. K.R. Shyamsundar and Mr. K.S. Ravindranath** who are highly experienced and having knowledge in project finance, accounts and company law. **Mr. Nirajan R. Jagtap** is the Chairman of the Audit Committee. The Company Secretary acts as the Secretary of the Audit Committee.

#### **DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORK PLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT 2013**

The Company has in place an Anti-Sexual Harassment Policy in line with the requirement of the Sexual Harassment of Women at the Workplace (Prevention Prohibition & Redressal) Act 2013, internal Complaints Committee (ICC) has been set up to redress complaints received regarding sexual harassment. All employees (Permanent, contractual, temporary, trainees) are covered under this policy. The following is summary of sexual harassment complaints received and disposed of during the year 2017-18 No. of complaints received during the financial year: Nil No. of complaints disposed of during the financial year: Nil. However subsequent to the FY the company has received a complaint which is under process.

#### **PREVENTION OF INSIDER TRADING:**

The Company has adopted a Code of Conduct as per the Guidelines issued by the Securities and Exchange Board of India for prevention of insider trading with a view to regulate trading in securities by the Directors and designated employees of the Company. The Code prohibits the purchase or sale of Company shares by the Directors and the designated employees while in possession of unpublished price sensitive information in relation to the Company and during the period when the Trading Window is closed.



## **INDOWIND ENERGY LIMITED**

The Board of Directors and the designated employees have confirmed compliance with the Code.

### **DETAILS OF DIRECTORS OR KEY MANAGERIAL PERSONNEL WHO WERE APPOINTED OR HAVE RESIGNED DURING THE YEAR**

There is no appointment or resignation of Directors and Key Managerial Personnel of the Company during the financial year 2017-18.

However Mr. S. Diraviam has resigned from the post of Company Secretary and Ms. Harsha J has been appointed as Company Secretary with effect from 6<sup>th</sup> April, 2018.

### **PARTICULARS OF LOANS, GUARANTEE OR INVESTMENTS:**

There is no loan / guarantee is outstanding as on 31.3.2018. With respect to investments details are provided under note No. 6 of notes on accounts under non-current investments.

### **BUSINESS RISK MANAGEMENT:**

The Company has developed a Risk Management Policy by identifying the elements of risk which are mentioned below. The risk management approach at various levels including documentation and reporting seeks to create transparency, minimize adverse impact on the business objectives and enhance the company's competitive advantage.

#### **Project Risks:**

It is a high capital intensive in nature and therefore could be exposure to time and cost overruns. To mitigate these risks, the project management team, and the project accounting and governance frame work has been further strengthened.

#### **Competition risks:**

The industry is becoming intensely competitive with the foray of new entrants. To mitigate this risk, the Company is leveraging on its expertise, experience and its created capacities to increase market share, enhance brand visibility. It would also leverage its infrastructure and commercial team to offer value to its customers.

#### **Occupational Health and Safety Risks:**

Safety of the employees and workers is of utmost importance to the company. To reinforce the safety culture in the company, it has identified Occupational Health & Safety as one of its focus areas. Various training programs have been conducted and OH&S Competencies are integrated in to job descriptions of all Top Management and Safety Professionals.



### **BOARD EVALUATION:**

Pursuant to the provisions of the companies Act 2013, and Schedule V of SEBI (Listing Obligation and Disclosures Requirements) Regulations 2015, the Board has carried out an annual performance evaluation of its own performance, the directors individually as well as the evaluation of the of its Audit, nomination and remuneration and compliance committees. The manner in which the valuation has been carried out has been explained in the Corporate Governance report.

### **DEPOSITS:**

During the year under review the company has not accepted any deposits from the public with in the ambit of section 73 of the companies Act, 2013 and The companies (Acceptance of Deposits) Rules, 2014.

### **DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE HON'BLE HIGH COURT OF MADRAS**

On 22nd July, 2017, the arbitration award was given by the sole Arbitrator Retd Justice Mr. Chandru and by this award Indo wind energy is entitled to get the compensation for generation loss for the financial years from 2010-11 to 2015-16 amounting to Rs. 23.11 Crores with interest at 18% p.a from 1-4-2015 till the date of realization. Suzlon has appealed against this award before the High Court of Madras and the court has ordered to deposit Rs 5.00 Cr to the credit of the Registrar General of High Court Madras and the proceedings are on.

In the mean while Indowind energy has claimed compensation towards generation loss for the financial years 2015-16 & 2016-17 amounting to Rs. 9.03 Cr. and since it is not paid by suzlon, Indowind has filed an insolvency application before NCLT / Ahmedabad for initiating in solvency process under IBC and the proceeding before NCLT /AMD is on.

### **WHISTLE BLOWER POLICY**

The Company has a whistle blower policy to deal with instance of fraud and mismanagement if any. The detail of the policy is explained in the Corporate Governance Report and posted on the website of the company.

### **FINANCIAL STATEMENTS OF THE SUBSIDIARY COMPANY – Indowind Power Pvt. Ltd, (IPPL)**

IPPL has substantially contributed to the turnover of your company for the year under review. The Authorized Capital of the Company is Rs. 1,50,00,000/- comprises of 15,00,000 equity shares of Rs. 10/- each. The issued and Paid up capital of the company comprises of 13,36,960 equity shares of Rs. 10/- each amounting to INR.1,33,69,600/- in which Indowind Energy Ltd holds 682,560 equity shares of Rs. 10/- each amounting to 51.05% of the total paid up capital.



## INDOWIND ENERGY LIMITED

### FINANCIAL HIGHLIGHTS AND PERFORMANCE

INR. In Million

PARTICULARS	2017-18	2016-17
Total Income	19.20	20.77
Total Expenses	19.03	20.66
Profit before Tax	1.64	1.10
Tax	0.50	0.03
Profit After Tax	1.14	0.76

### INDUSTRIAL RELATIONS AND PARTICULARS OF EMPLOYEES

As of 31<sup>st</sup> March 2018, Your Company has 68 employees on its rolls at different locations including Senior Management Personnel, Engineers, Technicians and Trainees. The employees will be inducted in to permanent services of the Company after training, to fill up vacancies as when arises. Your company has not issued any shares under Employees' Stock option Scheme during the year under review.

**THE RATIO OF REMUNERATION OF EACH DIRECTOR TO THE MEDIAN EMPLOYEE'S REMUNERATION OF THE COMPANY FOR THE FINANCIAL YEAR 2017-18 ARE GIVEN BELOW:**

Name of the Directors	Ratio to Median Employee's Remuneration
Mr. Bala V. Kutti	0.54
Mr. Niranjana R. Jagtap	1.08
Dr. K.R. Shyamsundar	1.08
Mr. K. S. Ravidranath	9.90
Ms. Alice Chhikara	0.81

**THE PERCENTAGE INCREASE IN REMUNERATION OF DIRECTORS, KMP AND MEDIAN EMPLOYEE FOR THE FINANCIAL YEAR 2017-18**

There is no increase in remuneration to the Directors, KMP and median employee during the financial year 2017-18.





## INDOWIND ENERGY LIMITED

### VARIATIONS IN THE MARKET CAPITALISATION OF THE COMPANY, PRICE EARNINGS RATIO AS AT THE CLOSING DATE OF THE CURRENT FINANCIAL YEAR AND PREVIOUS FINANCIAL YEAR

Particulars	March 31, 2018	March 31, 2017	% Change
Market Capitalization (Rs.)	Rs. 65,87,02,507	Rs. 3,73,32,458	+ 56.68%
Price earnings ratio	3.14	23.11	+ 86.41%

### PERCENTAGE OF INCREASE OR DECREASE IN THE MARKET QUOTATION OF THE SHARES IN COMPARISON TO THE RATE AT WHICH THE COMPANY CAME OUT WITH THE LAST PUBLIC OFFER

Price of public offer Rs. 65/- Market price as on 31.03.2018, Rs.7.34/- difference (Rs.57.66/-) (88.71%)

### THE KEY PARAMETERS FOR ANY VARIABLE COMPONENT OF REMUNERATION AVAILED BY THE DIRECTORS

None

### THE RATIO OF THE REMUNERATION OF THE HIGHEST PAID DIRECTOR TO THAT OF THE EMPLOYEES WHO ARE NOT DIRECTORS BUT RECEIVE REMUNERATION IN EXCESS OF THE HIGHEST PAID DIRECTOR DURING THE YEAR

None

### LIST OF EMPLOYEES WHO ARE IN RECEIPT OF REMUNERATION MORE THAN THE STIPULATED AMOUNT MENTIONED UNDER RULE 5 (2) OF COMPANIES (APPOINTMENT AND REMUNERATION) RULES 2014

None

### AFFIRMATION THAT THE REMUNERATION IS AS PER THE REMUNERATION POLICY OF THE COMPANY

The Company affirms remuneration is as per the remuneration policy of the Company.

### CORPORATE GOVERNANCE

Your Company has complied with the requirements regarding Corporate Governance as required under SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 entered in to with the Stock exchanges where the Company's shares are listed. A Report on the Corporate Governance in this regard is made as a part of this Annual Report and a certificate from the Auditors of your Company regarding compliance of the conditions of the Corporate Governance is attached to this report.



## **INDOWIND ENERGY LIMITED**

### **LISTING OF EQUITY SHARES**

Your Company's equity shares are continued to be listed on the BSE Ltd, Mumbai and National Stock Exchange of India Ltd., Mumbai, FCCBs are listed at Singapore Exchange Securities Trading Ltd., (SGXST) during the year under review.

### **AUDITORS**

M/s.Sanjiv Shah & Associates, Chartered Accountants, Chennai retires at the conclusion of this Annual General Meeting and are eligible for reappointment

### **ANNUAL RETURN**

As provided in Sec 92 (3) of the Act a copy of the annual return is available on the website of the company and the web-link of such annual return is <http://www.indowind.com/ielannualreturn2017-18.pdf>

### **TRANSACTIONS WITH RELATED PARTIES**

Detailed information is provided with respect to the list of Related Parties under note No.44 of the notes on accounts and with respect to transactions with related parties are given in detailed under note No. 44 of the notes on accounts in the format Form AOC-2, which forms part of this report in Annexure (2).

### **SECRETARIAL AUDIT**

Mr. R. Kannan PCS is the Secretarial Auditor of the company for the year under review and his report is attached with this in Form MR-3, which forms part of this report in Annexure (3). With respect to the observation of Secretarial Auditor in his report we wish to state that the company is taking all initiatives to find the suitable CFO, filing of pending form MGT-14, improvising policies related to related party transaction and by updating website.

### **ADEQUACY OF INTERNAL CONTROL**

Your Company has effective and adequate internal control systems in combination with delegation of powers. The control system is also supported by internal audits and management reviews with documented policies and procedures.

M/s. S. Vasudevan & Associates are the Internal Auditors who continuously monitor and strengthen the financial control procedures in line with the growth operations of the Company.

### **PARTICULARS REQUIRED UNDER SECTION 134 OF THE COMPANIES ACT, 2013 AND ITS COMPANIES (ACCOUNTS) RULES 2014**

The particulars required to be given in terms of section 134 of the Companies Act, 2013 and its Companies (Accounts) Rules, 2014, regarding conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Foreign Exchange outgo are not applicable to your Company.



**INDOWIND ENERGY LIMITED**

## **ACKNOWLEDGEMENT**

The Directors wish to place on record their sincere thanks and gratitude to all its Shareholders, Bond holders, Bankers, State Governments, Central Government and its agencies, statutory bodies, suppliers, and customers, for their continued co-operation and excellent support extended to the Company from time to time.

Your Directors place on record their utmost appreciation for the sincere and devoted services rendered by the employees at all levels.

For and on behalf of  
**BOARD OF DIRECTORS OF  
INDOWIND ENERGY LIMITED**

Place: Chennai - 600 034  
Date: 08<sup>th</sup> June 2018.

**Niranjan R Jagtap**  
Director



## INDOWIND ENERGY LIMITED

### ANNEXURE 1

#### Form AOC-1

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

#### Part "A": Subsidiaries

(Information in respect of each subsidiary to be presented with amounts in Rs.)

Sl. No.	Particulars	Details
1.	Name of the subsidiary	INDOWIND POWER PRIVATE LIMITED
2.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	From 01/04/2017 To 31/03/2018
3.	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	NIL
4.	Share capital	Rs. 1,33,69,600/-
5.	Reserves & surplus	Rs. 68,02,15/-
6.	Total assets	Rs 8,74,68,470
7.	Total Liabilities	Rs 8,74,68,470
8.	Investments	-
9.	Turnover	Rs. 19,203,031
10.	Profit before taxation	Rs 164,999
11.	Provision for taxation	Rs 50,985
12.	Profit after taxation	Rs 114,014
13.	Proposed Dividend	NIL
14.	% of shareholding	51.05%



## INDOWIND ENERGY LIMITED

### ANNEXURE 2 FORM NO. AOC -2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014.

#### INTRODUCTION

Form for Disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub section (1) of section 188 of the Companies Act, 2013 including certain arms length transaction under third proviso thereto.

#### 1. Details of contracts or arrangements or transactions not at Arm's length basis.

There were no contracts or arrangements or transactions entered into during the year ended March 31, 2018, which were not at Arm's length basis.

#### 2. Details of contracts or arrangements or transactions at Arm's length basis.

Nature of Related Party	Nature of Relationship	Salient Terms	Amount (in Rupees)
Indowind Power Private Limited	Subsidiary	Power share income	123,131,623
Indus Finance Ltd.	Associates	Power share income	2,454,964
Ind Eco Ventures Limited	Associates	Power share income	4,874,804
Bekae properties P Ltd.	Associates	Power share income	2,386,546
Everon Power Pltd	Associates	Power share income	1,937,745
Indus Finance Ltd.,	Associates	Interest income	81,259
Ever on power Ltd.	Associates	Interest income	14,669,434
Indowind Power Private Limited	Subsidiary	Investments	6,825,600
<b>Balance outstanding at the end of the year</b>			
Indus Finance Ltd	Associate	Capital Advances - Acquisition of 6Mw Wind project	90,120,323
Ind Eco ventures Ltd	Associate	Capital Advances - Acquisition of 6Mw Wind project	190,760,684
Bekae properties P Ltd	Associate	Capital Advances - Acquisition of 6Mw Wind project	99,735,126
Ind Eco Ventures Limited	Associate	Capital advances / Guarantee Deposits - Secured	100,245,400
Indowind Power Private Limited	Associate	Long Term trade advances	52,881,288
Everon Power Limited	Associate	Long Term trade advances	41,116,724
Ind Eco Ventures Limited	Associate	Capital Work in progress	6,88,63,135



**INDOWIND ENERGY LIMITED**

**ANNEXURE III  
Form No. MR-3  
SECRETARIAL AUDIT REPORT**

**FOR THE FINANCIAL YEAR ENDED MARCH 31, 2018**

[Pursuant to section 204 (1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,  
The Members,  
Indowind Energy Limited  
Kothari Buildings, 4<sup>th</sup> Floor,  
114 MG ROAD,  
Nungambakkam,  
Chennai- 600034

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **M/s Indowind Energy Limited** (hereinafter called the company). Secretarial Audit was conducted in a manner that provided me/us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on the declaration letter by company secretary, and corporate governance issued by statutory bodies my verification of **M/s Indowind Energy Limited's** books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on **March 31, 2018** complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter

I have examined the books, papers, minute books, forms and returns filed and other records maintained by **M/s Indowind Energy Limited** ("the Company") for the financial year ended on **March 31, 2018** according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings is not applicable for the year under review
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;



## INDOWIND ENERGY LIMITED

- (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
- (d) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- (vi) The other laws as may be applicable specifically to the company
  - (a) Electricity Act, 2003
  - (b) Applicable labour laws
  - (c) The payment of gratuity act, 1972
  - (d) Employees Provident funds and Miscellaneous provisions act, 1952
  - (e) Employees state insurance act, 1948
  - (f) The employees Compensation act , 1923
  - (g) Forest Conservation Act, 1980 (to check at site)
  - (h) Regulations & Guidelines issued by Ministry of Environment, Forest and Climate Change Government of India (to check at site)
  - (i) Regulations & Guidelines issued by Ministry of Water Resources, Government of India (to check at site)
  - (j) The Water (Prevention and Control of Pollution) Act, 1974 and rules made there under (to check at site)
  - (k) The Air (Prevention and Control of Pollution) Act, 1981 and rules made there under (to check at site)
  - (l) Environment (Protection) Act, 1986 and rules made there under (to check at site)
  - (m) Guidelines issue by National Green Tribunal (to check at site)

Based on a review of the compliance reports by functional heads of the company including The Wind mills erected in various location in India to Top Management/Board of Directors of the Company, I report that the company has substantially complied with the provision of those Acts that are applicable to it such as the factories Act 1948, payment of wages Act 1936, Industrial Disputes act 1947, Minimum Wages act 1948, Employees Provident Fund Act 1952, Employees state Insurance act 1948, Public Liability insurance act 1991, Environment Protection act 1986 and others pollution control and other law mentioned in the said checklist.

No specific violations in respect of Tax laws came to the notice of the undersigned from the review of the said check list. However I report that I have not carried out the audit with reference with the applicable financial laws, such as the Direct and Indirect Tax Laws, as same falls under the review of statutory audit and other designed professionals.

I have also examined compliance with the applicable clauses of the following:

- I. Secretarial standards on the meetings of the board of directors (SS-1) and General Meeting (SS-2) issued by the institute of Company Secretaries of India (ICSI).
- II. The Listing Agreement entered into by the company with the Stock Exchange(s) namely Bombay Stock Exchange (BSE) & National Stock Exchange (NSE).

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to the following observations:



## INDOWIND ENERGY LIMITED

- (a) In respect of Appointment of Key Managerial Personnel as prescribed under Section 203 of Companies Act, 2013, the Company is yet to appoint Chief Financial Officer for the Company.
- (b) The company has to improvise the Related Party transaction policies as required under Section 188 of the Companies Act, 2013 and Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- (c) The company has to file certain MGT-14 as required under Companies Act 2013
- (d) The policies placed on the website needs to be reviewed and updated.

I report that there were no actions / events in pursuance of

- (a) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- (b) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
- (c) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
- (d) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting. Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

I further report that there are adequate systems and processes in the company commensurate with the size and operation of the company to monitor and ensure compliances with applicable laws, rules, regulations and guidelines

- (a) I further report that during the audit period, there were no other specific events/actions in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. having a major bearing on the company's affairs.
- (b) In respect of disputes between two shareholders, the matter is pending before NCLT/Court

Signature:

**R Kannan**

**Practicing Company Secretary**

**FCS No: 6718**

**C P No: 3363**

Place: Chennai

Date: 8<sup>th</sup> June, 2018





## INDOWIND ENERGY LIMITED

### REPORT ON CORPORATE GOVERNANCE OF INDOWIND ENERGY LTD

#### INTRODUCTION

The company is complying with the mandatory requirements of the Code of Corporate Governance (Code) introduced by the Securities and Exchange Board of India (SEBI) and incorporated in Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015.

#### A) COMPANY'S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE

The company is committed to the highest standards of corporate governance in all its activities and business practices. The Company looks at Corporate Governance as a measure to ensure sustained better financial performance and to serve the shareholders by providing better service. The Company considers Corporate Governance in its widest sense. The Corporate Governance measures the delivery of Company's objects with a view to translate the ability, opportunity into reality and results. The Board ensures better implementation of the key elements in Corporate Governance like transparency, disclosure, internal controls etc. It takes feedback into account in its reviews of the principles of commitment and growth to ensure better improvement.

The following is the report on the practices of the company on major aspects of corporate governance:

#### B) COMPOSITION OF THE BOARD

The company has complied with the corporate governance norms in terms of constitution of the board. The Board comprises of 5 Directors details of which are given in Table 1.

#### C) NUMBER OF BOARD MEETINGS

Indowind Energy Limited held 7 Board Meetings during the year ended 31<sup>st</sup> March 2018. These were on 29<sup>th</sup> April 2017, 23<sup>rd</sup> May 2017 (Adjourned Meeting), 14<sup>th</sup> September 2017, 5<sup>th</sup> December 2017, 5<sup>th</sup> January 2018, 17<sup>th</sup> January 2018 and 13<sup>th</sup> February 2018.

#### D) DIRECTORS' ATTENDANCE RECORD AND DIRECTORSHIP HELD

Details of the above are given in Table 1:

Table 1

Name	Designation	Board Meetings held during the year	Board Meetings attended during the year	Whether attended last AGM	Other Directorship (in Public Limited Companies)
Mr. Bala V. Kutti	Chairman	7	4	Yes	> M/s.Ind Eco Ventures Ltd > M/s.Indus Finance Ltd., > M/s.Indonet Global Ltd. > M/s.Loyal Credit & Investments Ltd > M/s. BVK Agri Producers Company Ltd > M/s. Ever On Power Ltd



## INDOWIND ENERGY LIMITED

Mr. K.S.Ravindranath	Whole time Director	7	5	Yes	➤ M/s. BVK Agri Producers Company Ltd
Mr. Niranjana R Jagtap	Independent Director	7	7	Yes	➤ M/s.Ind Eco Ventures Ltd ➤ M/s. BVK Agri Producers Company Ltd ➤ M/s. Skyline Millars Ltd, ➤ M/s. Indus Finance Ltd
Ms. Alice Chhikara	Non Independent Director	7	6	Yes	➤ M/s. Indus Finance Ltd
Dr. K.R. Shyamsundar	Independent Director	7	7	No	➤ M/s. Indus Finance Ltd

None of the Directors is a member of more than 10 Board-level committees, or Chairman of more than 5 such committees, as prescribed under Regulation 26 of (Listing obligation and disclosures requirements) SEBI, 2015.

### E) INFORMATION SUPPLIED TO THE BOARD:

Among others, this includes:

- a) Annual operating plans and budgets and any updates.
- b) Quarterly financial results of the company
- c) Minutes of meeting of Audit Committee and other committees of the Board
- d) Materially important show cause, demand, prosecution and penalty notices
- e) Fatal or serious accidents of dangerous occurrences
- f) Any materially relevant default in financial obligations to and by the company.
- g) Any issue which involves possible public claims of substantial nature
- h) Transactions that involve substantial payment towards goodwill, brand equity or intellectual property
- i) Sale of material nature, of investments, assets, which is not in the normal course of business
- j) Any issue which involves possible public claims of substantial nature
- k) Non-compliance of any regulatory or statutory provision or listing requirements as well as shareholder services such as non-payment of dividend and delays in share transfer.



The Board of M/s. Indowind Energy Limited is routinely presented with information under the above heads whenever applicable and materially significant. These are submitted either as part of the agenda papers well in advance of the Board meetings or are tabled in the course of the Board meetings.

## **F) COMMITTEES OF THE BOARD**

### **I) AUDIT COMMITTEE**

A qualified and independent Audit Committee of the Board of the company is functioning. It monitors and supervises the Management's financial reporting process with a view to ensure accurate and proper disclosure, transparency and quality of financial reporting. The committee reviews the financial and risk management policies and also the adequacy of internal control systems and holds discussions with Statutory Auditors and Internal Auditors. This is enhancing the credibility of the financial disclosures of the company and also provides transparency.

The company continued to drive immense benefit from the deliberation of the Audit Committee comprising of Directors namely, **Mr. Niranjan R. Jagtap, Mr. K.S. Ravindranath and Dr. K.R. Shyamsundar**, who are highly experienced and having knowledge in project finance, accounts and company law. **Mr. Nirajan R. Jagtap** is the Chairman of the Audit Committee. The Company Secretary acts as the Secretary of the Audit Committee.

The Audit Committee met 4 times during the year ended 31<sup>st</sup> March 2018.

**Attendance records of Audit Committee members are given in Table 2:**

**Table 2**

<b>Name of Director</b>	<b>No. of Meetings held</b>	<b>Meetings attended</b>
Mr. Niranjan R. Jagtap	4	4
Mr. K.S. Ravindranath	4	2
Dr. K.R. Shyamsundar	4	4

The terms of reference of the Audit Committee are as follows:

1. Overseeing of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
2. Recommending to the Board the appointment, re-appointment and, if required, the replacement or removal of Auditor and the fixation of audit fees.
3. Approval of payment to Auditors for any other services rendered by them.
4. Reviewing with the management, the annual financial statements before submission to the Board for approval, with particular reference:



- i. Matters required to be included in Director's responsibility statement to be included in the Board's report.
- ii. Changes of any in accounting policies and practices and reasons for the same.
- iii. Major accounting entries involving estimates based on the exercise of judgment by management.
- iv. Significant adjustments made in the financial statement arising out of audit findings.
- v. Compliance with listing and other legal requirements relating to financial statements.
- vi. Disclosure of related party transactions.
- vii. Qualifications in the draft audit report.

## **II) STAKE HOLDERS' RELATIONSHIP COMMITTEE**

In line with the Companies Act 2013 & LODR Regulations 2015, this Committee has been constituted which comprises of the following members of the Board as given in Table 3:

**Table 3**

<b>Name</b>	<b>Designation</b>
Mr. Niranjan R. Jagtap	Chairman
Mr. K.S. Ravindranath	Member
Dr. K.R. Shyamsundar	Member

The terms of reference of the Stake holders Relationship Committee are as follows:

The stake holders relationship committee shall be responsible to look into redressal of the grievances of the security holders.

The Company has received nil complaint during this financial year ended 31<sup>st</sup> March 2018.

Mr. S. Diraviam Company Secretary of the Company was the Compliance officer up to 06.04.2018 and from 06.04.2018 Ms. Harsha J is the Compliance Officer of the Company.

## **III. NOMINATION AND REMUNERATION COMMITTEE**

In line with the Companies Act 2013 & LODR Regulations 2015 this Committee has been constituted which consists of the following members of the Board as given in Table 4:

**Table 4**

<b>Name of Director</b>	<b>Designation</b>
Mr. Niranjan R. Jagtap	Chairman
Dr. K.R. Shyamsundar	Member
Ms. Alice Chhikara	Member



The Committee met on 13th February 2018 during the Financial Year 2017-18

The terms of reference of the Nomination and Remuneration Committee are as follows: This Committee shall have all necessary powers and authority to ensure appropriate disclosure on the remuneration of the Whole Time Director, KMP and other employees.

### **G) PREVENTION OF INSIDER TRADING**

The Company has adopted a Code of Conduct as per the Guidelines issued by the Securities and Exchange Board of India for prevention of insider trading with a view to regulate trading in securities by the Directors and designated employees of the Company. The Code prohibits the purchase or sale of Company shares by the Directors and the designated employees while in possession of unpublished price sensitive information in relation to the Company and during the period when the Trading Window is closed.

The Board of Directors and the designated employees have confirmed compliance with the Code.

### **H) BOARD EVALUATION**

Pursuant to the provisions of the Companies Act, 2013 and LODR Regulations 2015, the Board has carried out the annual performance evaluation of its own performance, the Directors individually as well as the evaluation of the working of its Audit, Nomination and Remuneration and Compliance Committees. A structured questionnaire was prepared after taking into consideration inputs received from the Directors, covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligations and governance. A separate exercise was carried out to evaluate the performance of Individual Directors including the Chairman of the Board, who were evaluated on parameters such as level of engagement and contribution, independence of judgment, safeguarding the interest of the Company and its mandatory shareholders etc. The performance evaluation of the independent Directors was carried out by the entire Board. The performance evaluation of the Chairman and the Non independent Directors was carried out by the Independent Directors who also reviewed the performance of the Secretarial department. The Directors expressed their satisfaction with the evaluation process.

### **I) WHISTLE BLOWER POLICY**

Your Company has established a Whistle Blower Policy to enable the stakeholders to report unethical behavior, actual or suspended fraud or violation of code of conduct directly to the Chairman of the Audit Committee. This policy provides adequate safeguards against victimization of Directors / Employees and provides direct access to the Chairman of the Audit Committee. The Protected disclosures if any reported under this policy will be appropriately and expeditiously investigated by the Chairman of the Audit Committee.

Your Company here by affirms that no Director / Employee have been denied access to the Chairman of the Audit Committee and that no complaint was received during the year under review. The Whistle Blower policy has been disclosed on the Company's website.



The Member of the Whistle Blower Policy Committee consists of the following persons as given in Table 5:

**Table 5**

<b>S.No</b>	<b>Name of the Employees</b>	<b>Position</b>
1	Mr. Sajan	Site Engineer – Nettur
2	Mr. G.D. Sharath Chandra	Sr. Manager - Gadag
3	Mr. C. Rajaram	Site in charge – Kila Veeranam

## **J) INTERNAL COMPLAINTS COMMITTEE**

Your Company has established an Internal Complaints Committee (ICC) to enable the employees to report sexual harassment of women at work place, unethical behavior directly to the Chairman of the Internal Complaints Committee. This policy provides adequate safeguards against victimization of Employees and provides direct access to the Chairman of the Internal Complaints Committee. The Protected disclosures if any reported under this policy will be appropriately and expeditiously investigated by the Chairman of the Internal Complaints Committee.

Your Company here by affirms that no Employee has been denied access to the Chairman of the Internal Complaints Committee and that no complaint was received during the year under review. However subsequent to the FY the company has received a complaint which is under process.

The Member of the Internal Complaints Committee consists of the following persons as given in Table 6:

**Table 6**

<b>S.No</b>	<b>Name of the Director</b>	<b>Position</b>
1	Mr. Bala V Kutti	Chairman
2	Mr. K.S. Ravindranath	Member
3	Mr. Niranjana R Jagtap	Member

## **K) MANAGEMENT**

### **Disclosure by management to the Board**

All details relating to financial and commercial transactions where Directors may have a pecuniary interests are provided to the Board, and interested Directors neither participate in the discussion, nor do they vote on such matters.

## **L) SHAREHOLDERS**

### **i) Disclosure regarding appointment or re-appointment of Directors**

According to the Articles of Association of Company, not less than 1/3<sup>rd</sup> of the Directors who are liable to retire by rotation, shall retire from office. All the Directors are eligible and are offering themselves for re-appointment as and when required.



## INDOWIND ENERGY LIMITED

**Mr. Bala V Kutti** is retiring at the conclusion of this AGM and being eligible, offers himself for re-appointment.

### ii) Shareholding pattern of Directors:

As per our Memorandum, the Directors need not hold any Equity Shares as Qualification Shares. Details as to shareholding of the Directors are given in Table 7 :

**Table 7**

Name of Director	No. of Shares held as on 31.3.2018	% of Paid-up Equity Share Capital
Mr. Bala V. Kutti	54,37,495	6.06
Mr.K.S.Ravindranath	1,784,995	1.99
Mr.Niranjan R.Jagtap	NIL	NIL
Dr. K.R. Shyamsundar	NIL	NIL
Ms.Alice Chhikara	NIL	NIL
<b>Total</b>	<b>72,22,490</b>	<b>8.05</b>

### iii) Registrar and Transfer Agent:

M/s. Big Share Services Pvt Ltd, who is registered with SEBI as a Category II Registrar, have been appointed as the registrar and share transfer agent of the company for both physical and electronic segment and have attended to share transfer formalities regularly.

### iv) General Body Meetings

Details of last three Annual General Meetings are given in Table 8:

**Table 8**

Year	Location	Date	Time
2016-17	The Music Academy, New No. 168, T.T.K. Road, Royapettah, Chennai- 600 014.	30.08.2017	3.00 P.M
2015-16	Hotel The Accord Metropolitan 35, G.N.Chetty Road, T.Nagar, Chennai – 600 017	16.09.2016	4.00 P.M.
2014-15	Hotel The Accord Metropolitan 35, G.N.Chetty Road, T.Nagar, Chennai – 600 017	28.09.2015	4.00 P.M



## INDOWIND ENERGY LIMITED

The special resolutions passed in the previous three annual general meetings are given in Table 9:

**Table 9**

<b>Date of AGM</b>	<b>Subject</b>
30.08.2017	No Special Resolution was passed
16.09.2016	Resolution under sec 149 and 152 read with Schedule IV of the companies Act 2013 for the appointment of Dr. K.R. Shyamsundar as an Independent Director of the Company.  Resolution under sec 180 (1) (c) and other applicable provisions of the Companies Act 2013 for Increasing the Borrowing Powers of the company.
28.09.2015	Resolution under sec 196,197 read with Schedule V of the companies Act 2013 for the reappointment of Mr.K.S.Ravindranath  Resolution under sec 149 and 152 read with schedule IV of the Companies Act 2013 for the re-appointment of Mr. Niranjana R Jagtap.  Resolution under sec 152,161 of the companies Act, 2013 for the appointment of Ms. Alice Chhikara as Director

The special resolutions passed for Increase in Authorised Share Capital, consequential changes in the Memorandum of Association, Articles of Association and Issue of Convertible Warrants on Preferential Basis in the EGM held on 16<sup>th</sup> February 2018.

Similarly there was no resolution requiring approval through postal ballot during the year and for which no such resolution is being proposed to be passed.

### **v) Disclosures:**

Disclosure on materially significant related party transactions i.e., transactions of the company of material nature, with its promoters, the Directors or the management, their subsidiaries or relatives, etc. that may have potential conflict with the interest of the Company at large.

There are no materially significant related party transactions made by the company with its Promoters, Directors or Management, their subsidiaries or relatives etc. that may have potential conflict with the interests of the company at large.





## INDOWIND ENERGY LIMITED

### vi) General Shareholder Information:

a) 23rd Annual General Meeting for the year 2018 is given in Table 10:

**Table 10**

Date	27 <sup>th</sup> September 2018
Time	4.00 PM
Venue	The Music Academy, New No.168, T.T.K. Road, Royapettah, Chennai - 600 014.
Date of Book Closure	21.09.2018 to 27.09.2018 (both days inclusive)
Registrar and Share Transfer Agent	M/s. Bigshare Services Pvt Ltd.

### b) Financial Calendar:

Adoption of the Quarterly Results for the quarter ended is given in Table 11:

**Table 11**

Quarter ended	Date of adoption
30 <sup>th</sup> June 2017	14.09.2017
30 <sup>th</sup> September 2017	05.12.2017
31 <sup>st</sup> December 2017	13.02.2018
31 <sup>st</sup> March 2018	08.06.2018

c) Name of the Stock Exchanges where the shares of the company are listed are given in Table 12:

**Table 12**

BSE Limited, Registered Office: Floor 25, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai 400 001.	National Stock Exchange of India Limited, Exchange Plaza, Bandra Kurla Complex, Bandra (E), Mumbai 400 051.
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### d) Scrip Code

BSE Limited	:	532894
National Stock Exchange of India Limited	:	INDOWIND
Demat ISIN Number in NSDL and CDSL	:	INE227G01018



## INDOWIND ENERGY LIMITED

e) Market Price Data are given in Table 13:

Table 13

Month & Year	NSE		BSE	
	Share Price (Rs.)		Share Price (Rs.)	
	High	Low	High	Low
April 2017	5.20	4.05	5.35	4.03
May	4.90	4.30	4.87	4.27
June	6.60	4.40	6.64	4.28
July	6.05	5.05	6.05	5.02
August	6.05	4.90	6.19	5.00
September	6.45	5.25	6.39	5.36
October	7.55	5.85	7.65	5.83
November	11.00	7.50	11.25	7.52
December	11.10	8.30	11.24	8.20
January 2018	16.50	11.10	16.45	11.00
February	12.40	8.35	12.38	8.45
March	8.80	7.05	8.85	7.00

### M) MEANS OF COMMUNICATION

As stipulated under Regulation 47 of SEBI (Listing Obligation and Disclosure Requirements) 2015, the Quarterly Results are published in one English National Newspaper (News Today) and one Tamil Newspaper (Maalai Sudar) within 48 hours of the conclusion of the Board Meeting in which the results are approved. They are also displayed in the website of the Company [www.indowind.com](http://www.indowind.com)

The Company's website also displays official press/news releases and several other details/information of interest to various stakeholders, including the complete Annual Reports and shareholding pattern.

### N) DISTRIBUTION OF SHAREHOLDING AS ON 31.3.2018 IS GIVEN IN TABLE 14:

Table 14

Shareholding of nominal		Number of Shareholding	Percentage of Total	Share Amount Rs.	Percentage of Total
From	To				
1	5000	24231	70.4062	39118220	4.3590
5001	10000	4310	12.5232	37214940	4.1469
10001	20000	2576	7.4849	41106470	4.5805
20001	30000	919	2.6703	24067050	2.6818
30001	40000	517	1.5022	18876760	2.1035
40001	50000	501	1.4557	23989130	2.6731
50001	100000	745	2.1647	56796240	6.3289
100001 and above		617	1.7928	656246050	73.1263
<b>Total</b>		<b>34416</b>	<b>100.0000</b>	<b>897414860</b>	<b>100.0000</b>

**O) SHAREHOLDING PATTERN AS ON: 31.03.2018 IS GIVEN IN TABLE 15:****Table 15**

CATEGORY	Holders		Shares	
	No	%	No	%
Promoter and promoters group	12	0.0348	43899107	48.9112
Financial Institutions/Banks	4	0.0116	230900	0.2573
Bodies Corporate	297	0.8630	2552303	2.8441
Individuals	33756	98.0823	41979394	46.8781
NRI/OCBs	288	0.8368	941344	1.0490
Clearing Members & others	59	0.1714	138448	0.1543
<b>Total</b>	<b>34416</b>	<b>100</b>	<b>89741486</b>	<b>100</b>

**P) DEMATERIALIZATION OF SHARES AND LIQUIDITY**

99.96% Shares are held in demat as on 31<sup>st</sup> March 2018 and the balance 0.04% are in physical form which belongs to general public.

The shares of the Company are listed in BSE Limited and National Stock Exchanges of India Ltd., Outstanding Convertible FCCB: 15mn.USD to be converted into shares in December, 2012. Matter is pending due to legal proceeding before High Court of Madras 2017 and now before NCLT/Chennai.

**Q) NON-MANDATORY REQUIREMENTS**

- Chairperson of the Board: Whether the Chairperson of the Board is entitled to maintain a Chairperson's Office at the Company's expense and also allowed reimbursement of expenses incurred in the performance of his duties: No
- The Company's audited and un-audited results are widely published in English and Tamil Newspapers.
- Postal Ballot:  
There were no resolutions passed through Postal Ballot.



## INDOWIND ENERGY LIMITED

### R) ADDRESS FOR CORRESPONDENCE ARE GIVEN IN TABLE 16:

Table 16

<b>Registered Office:</b>	<b>Registrar and Transfer Agent:</b>
1) Indowind Energy Limited "Kothari Building" 4 <sup>th</sup> Floor, 114, M.G. Road, Nungambakkam, Chennai 600 034. Phone: 044-2833 0867/ 2833 1310 Fax: 044-2833 0208 Email: harsha@indowind.com	2) M/s.Bigshare Services Pvt. Ltd., E-2/3, Ansa Industrial Estate, Sakivihar Road, Saki Naka, Andheri (E), Mumbai - 400 072. Phone: 022-6263 8200 Fax: 022-6263 8299 Email: bhagwan@bigshareonline.com

### S) BRANCH OFFICES

#### MUMBAI

603, Keshava Building, 6<sup>th</sup> Floor,  
Bandra Kurlly Complex, Bandra East,  
Mumbai 600 051

#### MADURAI

85, Kamarajar Salai,  
Madurai 625 009.

### T) SITE OFFICES

#### NETTUR

Kidararakulam,  
Alangulam,  
Tirunelveli Dist.  
Tamilnadu-627854

#### ARALVOIMOZHI

Subash Nagar,  
Kumarapuram Road,  
Kanyakumari Dist.  
Tamilnadu-629301

#### GADAG

Adarsha Nagar,  
Plot No. 16, Gadag,  
Karnataka-562 103

#### CHITRADURGA

Srinivas Complex,  
First Floor,  
B.P. Extension Area,  
Chitradurga-577501

Place: Chennai - 600 034

Date: 8<sup>th</sup> June, 2018.

For and on behalf of  
**BOARD OF DIRECTORS OF  
INDOWIND ENERGY LIMITED**

**Niranjan R Jagthap**  
Director

### DECLARATION

This is to declare that the respective Code of Conduct envisaged by the Company for Members of the Board and Senior Management Personnel have been complied with by all the members of the Board and senior management Personnel of the Company.

For and on behalf of  
**BOARD OF DIRECTORS OF  
INDOWIND ENERGY LIMITED**

**Niranjan R Jagthap**  
Director

Place: Chennai

Date: 8<sup>th</sup> June, 2018



**INDOWIND ENERGY LIMITED**

## **Certificate on Corporate Governance**

We have examined the compliance of conditions of Corporate Governance by **M/s. Indowind Energy Limited**, for the year ended **31<sup>st</sup> March 2018**, as stipulated in Schedule V of SEBI (Listing Obligation and disclosures Requirements) Regulations 2015 of the said Company with Stock Exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination has been limited to a review of the procedures and implementations thereof adopted by the Company for ensuring compliance with the conditions of the Corporate Governance as stipulated in the said Clause. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, and based on the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Schedule V of SEBI (Listing Obligation and disclosures) Regulations 2015

As required by the Guidance Note issued by the Institute of Chartered Accountants of India we have to state that no investor grievances were pending for a period exceeding one month against the Company as per the records maintained by the Shareholders/Investor's Grievance committee.

We further state that such compliance is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

For **Sanjiv Shah & Associates**  
**Chartered Accountants**  
Firm Registration No. 003572S

Place: Chennai.  
Date: 8<sup>th</sup> June, 2018

**CA G Ramakrishnan**  
Partner  
Membership No. : 209035



## **INDEPENDENT AUDITOR'S REPORT**

**To the Members of Indowind Energy Limited**

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

### **Opinion**

We have audited the accompanying Standalone Ind AS financial statements of Indowind Energy Limited ("the company"), which comprises the Balance Sheet as at March 31, 2018, the Statement of Profit and Loss, (including other comprehensive income), the statement of changes in equity and statement of cash flows for the year then ended and summary of the significant accounting policies and other explanatory information (here in after referred to as "standalone Ind AS financial statements").

### **Responsibility of Management for the Standalone 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 standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian accounting Standards (Ind AS) prescribed under section 133 of the Act read with relevant Rules issued thereunder.

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

### **Auditor's Responsibility for the Audit of the Financial Statements**

Our responsibility is to express an opinion on these standalone 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 in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone Ind AS financial



statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone Ind AS financial statements. The procedures selected depend on the Auditors' judgment, including the assessment of the risks of material misstatement of the standalone 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 standalone Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone 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 standalone Ind AS financial statements.

### **Basis for Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Ind AS, of the financial position of the Company as at 31 March, 2018, and its financial performance including other comprehensive income, its cash flows and the changes in equity for the year ended on that date

### **Emphasis of Matters:**

The company is the defendant in a legal case filed by the Foreign Currency Bond Holders (FCCB) for winding up. The company has filed a counter. Proceedings are in progress. The impact of the matter cannot be ascertained at this stage.

### **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 Companies Act, 2013, we give in the "Annexure A", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books and proper returns adequate for the



## INDOWIND ENERGY LIMITED

purposes of our audit have been received from the branches not visited by us.

- c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account and with the returns received from the branches not visited by us
- d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e) On the basis of the written representations received from the directors as on 31<sup>st</sup> March, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2018 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- 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 has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements. Refer to Note: 39 to the standalone Ind AS financial statements;
  - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses.
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company;

**For Sanjiv Shah and Associates**  
**Chartered Accountants**  
**Firm Regn.No-003572S**

**CA G Ramakrishnan**  
**Partner**  
**M. No.209035**

Place: Chennai  
Date: 08-06-2018





**Annexure A to Independent Auditors' Report**

**The Annexure referred to in Independent Auditors' Report to the members of the Company on the standalone Ind AS financial statements for the year ended March 31, 2018, we report that**

- i. a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- b) The Company has a regular programme of physical verification of its fixed assets by which fixed assets are verified in a phased manner over a period of three years. In accordance with this programme, certain fixed assets were verified during the year and no material discrepancies were noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the company and the nature of its assets.
- c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
- ii. According to the information and explanation given to us, the physical verification of the inventory has been conducted at the reasonable intervals by the management and there has been no material discrepancies noticed during such verification. Based on the nature of business it is not feasible to verify the inventory.
- iii. The Company has granted loans to one body corporate covered in the register maintained under section 189 of the Companies Act, 2013 ('the Act').
  - a) In our opinion, the rate of interest and other terms and conditions on which the loans had been granted to the bodies corporate listed in the register maintained under Section 189 of the Act were not, prima facie, prejudicial to the interest of the Company
  - b) In the case of the loans granted to the bodies corporate listed in the register maintained under section 189 of the Act, the borrowers have been regular in the payment of the principal and interest as stipulated.
  - c) There are no overdue amounts in respect of the loan granted to a body corporate listed in the register maintained under section 189 of the Act.
- iv. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, with respect to the loans and investments made.
- v. The Company has not accepted any deposits from the public and hence the directives issued by the Reserve Bank of India and the provisions of section 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of deposits) Rules, 2015 with regard to the deposits accepted from the public are not applicable.
- vi. The Central Government has not prescribed the maintenance of cost records under section 148(1) of the Act, for any of the services rendered by the Company.
- vii. a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/accrued in the books of accounting in respect of undisputed statutory dues including provident fund, income-tax, sales tax, value added tax, duty of customs, service tax, cess, Goods and Service Tax and



## INDOWIND ENERGY LIMITED

other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities.

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income tax, sales tax, value added tax, duty of customs, service tax, cess, Goods and Service Tax and other material statutory dues were in arrears as at 31st March 2018 for a period of more than six months from the date they became payable.

- b) According to the information and explanations given to us, there are no dues of income tax or sales tax or service tax or duty of customs or duty of excise or value added tax or goods or service tax which have not been deposited on account of any dispute, except for the following:

S.No.	Particulars	Amount (Rs.) in lakhs	Period to which the amount relates	Forum where dispute is pending
01.	Income Tax Act	27.00	A.Y. 1998 – 1999	First appellate authority –Commissioner of income tax appeals
02.	Income Tax Act	75.11	A.Y. 2004 – 2005	Third appellate authority – High Court of Madras
03.	Income Tax Act	22.39	A.Y. 2005 – 2006	Third appellate authority – High Court of Madras
04.	Service Tax	218.00	F.Y. 2005 – 2006, 2006 – 2007, 2007 – 2008, 2008 – 2009, 2009 – 2010	Central Excise and Service Tax Appellate Tribunal [CESTAT]
05.	Value Added Tax	16.80	F.Y. 2007 – 2008	High Court of Madras
06.	Value Added Tax	29.60	F.Y. 2008 – 2009	High Court of Madras

- viii. The Company does not have any loans or borrowings from debenture holders during the year and has not defaulted in the repayment of dues to any financial institution and banks. Accordingly, paragraph 3(viii) of the Order is not applicable.
- ix. The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3(ix) of the Order is not applicable.
- x. According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- xi. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197, read with Schedule V to the Act.



## INDOWIND ENERGY LIMITED

- xii. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable
- xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act wherein applicable and details of such transactions have been disclosed in the standalone Ind AS financial statements as required by the applicable accounting standards.
- xiv. According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered in to non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- xvi. The company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

**For Sanjiv Shah and Associates**  
**Chartered Accountants**  
Firm Registration No.003572S

**CA G Ramakrishnan**  
Partner  
Membership No.:209035

**Place: Chennai.**  
**Date: 8<sup>th</sup> June, 2018**



**Annexure B to Independent Auditors Report for Indowind Energy Limited**

**Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)**

We have audited the internal financial controls over financial reporting of Indowind Energy Limited (“the Company”) as of March 31, 2018 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

**Management’s Responsibility for Internal Financial Controls**

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

**Auditors’ Responsibility**

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both 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 judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

### **Meaning of Internal Financial Controls over Financial Reporting**

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



## **INDOWIND ENERGY LIMITED**

### **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 Sanjiv Shah and Associates**

**Chartered Accountants**

Firm Registration No.003572S

**CA G Ramakrishnan**

Partner

Membership No. : 209035

**Place: Chennai.**

**Date: 8<sup>th</sup> June, 2018**



## INDOWIND ENERGY LIMITED

CIN - L40108TN1995PLC032311

Standalone Balance Sheet as at 31 March, 2018  
(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

Particulars	Notes	As at 31 March, 2018	As at 31 March, 2017	As at 1 April, 2016
<b>ASSETS</b>				
<b>Non-current assets</b>				
Property, plant and equipment	4	24,724.17	26,201.06	25,906.44
Intangible assets	4	-	-	-
Capital work in progress	5	690.63	861.56	1,993.24
<b>Financial assets</b>				
Investments	6	1,110.05	1,076.46	1,080.63
Other financial assets	7	431.57	894.77	753.99
Other non-current assets	8	2,637.80	2,701.43	2,962.18
<b>Total non-current assets</b>		<b>29,594.23</b>	<b>31,735.28</b>	<b>32,696.48</b>
<b>Current assets</b>				
Inventories	9	14.17	142.98	325.56
<b>Financial assets</b>				
Trade receivables	10	658.64	1,004.81	406.13
Cash and cash equivalents	11	58.63	150.68	97.55
Bank balances other than above	12	635.95	759.42	373.95
Other current assets	14	36.53	35.09	182.72
<b>Total current assets</b>		<b>1,403.92</b>	<b>2,092.98</b>	<b>1,385.91</b>
<b>Total Assets</b>		<b>30,998.15</b>	<b>33,828.26</b>	<b>34,082.39</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
Equity share capital	15	8,974.15	8,974.15	8,974.15
Other equity	16	12,211.70	14,312.30	14,511.68
<b>Total equity</b>		<b>21,185.85</b>	<b>23,286.45</b>	<b>23,485.83</b>
<b>Liabilities</b>				
<b>Non-current liabilities</b>				
Financial liabilities Borrowings	17	9,053.80	10,000.00	9,266.06
Provisions	18	0.00	-	-
Deferred Tax Liabilities (net)	19	(265.90)	-	152.39
<b>Total non-current liabilities</b>		<b>8,787.90</b>	<b>10,000.00</b>	<b>9,418.45</b>
<b>Current liabilities</b>				
<b>Financial liabilities</b>				
Trade payables	20	116.73	70.36	214.44
Other current liabilities	21	907.67	468.90	960.25
Short Term Provisions	22	-	2.55	3.42
<b>Total current liabilities</b>		<b>1,024.40</b>	<b>541.81</b>	<b>1,178.11</b>
<b>Total liabilities</b>		<b>9,812.30</b>	<b>10,541.81</b>	<b>10,596.56</b>
<b>Total Equity and Liabilities</b>		<b>30,998.16</b>	<b>33,828.26</b>	<b>34,082.39</b>

The accompanying notes form an integral part of the financial statements

As per our report of even date attached

For **M/s Sanjiv Shah & Associates**

Chartered Accountants

FRN: 003572S

G. Ramakrishnan

Partner

Membership No. : 209035

Place: Chennai.

Date: 8<sup>th</sup> June, 2018

for and on behalf of the Board

RAVINDRANATH K S

Director

DIN - 00848817

NIRANJAN R JAGTAP

Director

DIN - 01237606

HARSHA J

Company Secretary

K R SHYAMSUNDAR

Director

DIN - 03560150



## INDOWIND ENERGY LIMITED

CIN - L40108TN1995PLC032311

### Standalone Statement of Profit and Loss for the year ended 31 March, 2018 (All amounts are in lakhs of Indian Rupees, unless otherwise stated)

Particulars	Notes.	For the year ended 31 March, 2018 Rs.	For the year ended 31 March, 2017 Rs.
<b>Continuing Operations</b>			
<b>A Income</b>			
Revenue from operations	23	2,423.62	2,394.49
Other income	24	671.39	236.70
<b>Total income</b>		<b>3,095.01</b>	<b>2,631.19</b>
<b>B Expenses</b>			
Cost of materials consumed	25	542.18	492.24
Changes in inventories of finished goods	26	128.81	(118.44)
Employee Benefits Expense	27	222.82	218.75
Finance costs	28	766.42	670.02
Depreciation and amortisation expense	29	949.99	1,367.23
Other expenses	30	461.37	350.60
<b>Total expenses</b>		<b>3,071.59</b>	<b>2,980.40</b>
<b>C Profit before exceptional items and tax</b>		<b>23.42</b>	<b>(349.21)</b>
Exceptional items	31	(2,389.89)	
<b>D Profit before tax from continuing operations</b>		<b>(2,366.48)</b>	<b>(349.21)</b>
Income tax expense	32	-	-
Current tax		-	2.56
Deferred tax charge/ (credit)		(265.89)	(152.39)
<b>Profit for the year</b>		<b>(2,100.59)</b>	<b>(199.38)</b>
<b>E Other comprehensive income</b>			
Items that will not be reclassified to profit or loss			
Remeasurement of post employment benefit obligations		-	-
Income tax relating to these items		-	-
<b>Other comprehensive income for the year, net of tax</b>		<b>-</b>	<b>-</b>
<b>Total comprehensive income for the year</b>		<b>(2,100.59)</b>	<b>(199.38)</b>
<b>Earnings per share</b>			
Basic earnings per share	33	(23.41)	(2.22)
Diluted earnings per share		(23.41)	(2.22)

The accompanying notes form an integral part of the financial statements

As per our report of even date attached

For **M/s Sanjiv Shah & Associates**

Chartered Accountants

FRN: 003572S

G. Ramakrishnan

Partner

Membership No. : 209035

Place: Chennai.

Date: 8<sup>th</sup> June, 2018

for and on behalf of the Board

RAVINDRANATH K S

Director

DIN - 00848817

NIRANJAN R JAGTAP

Director

DIN - 01237606

HARSHA J

Company Secretary

K R SHYAMSUNDAR

Director

DIN - 03560150





## INDOWIND ENERGY LIMITED

CIN - L40108TN1995PLC032311

### Statement of cash flows for the year ended March 31, 2018 (All amounts are in lakhs of Indian Rupees, unless otherwise stated)

Particulars	For the year ended 31 March, 2018 Rs.	For the year ended 31 March, 2017 Rs.
<b>Cash Flow From Operating Activities</b>		
Profit before income tax	(2,366.48)	(349.21)
Adjustments for		
Depreciation and amortisation expense	949.99	1,367.23
(Profit)/ Loss on sale of fixed asset	-	(45.00)
Interest received	(192.83)	(177.27)
Finance costs	766.42	670.02
	<b>(842.90)</b>	<b>1,465.77</b>
Change in operating assets and liabilities		
(Increase)/ decrease in Other financial assets	463.20	(140.78)
(Increase)/ decrease in inventories	128.81	182.58
(Increase)/ decrease in trade receivables	346.17	(598.68)
(Increase)/ decrease in Other assets	62.18	408.38
Increase/ (decrease) in provisions and other liabilities	549.29	(364.02)
Increase/ (decrease) in trade payables	46.37	(144.08)
Cash generated from operations	753.14	809.17
Less : Income taxes paid (net of refunds)	(2.55)	(3.43)
<b>Net cash from operating activities (A)</b>	<b>750.59</b>	<b>805.74</b>
<b>Cash Flows From Investing Activities</b>		
Purchase of PPE (including changes in CWIP)	517.10	(678.02)
Sale proceeds of PPE (including changes in CWIP)	(180.73)	192.85
(Purchase)/ disposal proceeds of Investments	(33.59)	4.17
(Investments in)/ Maturity of fixed deposits with banks	123.47	(385.47)
Interest income	192.83	177.27
<b>Net cash used in investing activities (B)</b>	<b>980.54</b>	<b>(689.20)</b>
<b>Cash Flows From Financing Activities</b>		
Proceeds from/ (repayment of) long term borrowings	(946.20)	733.94
Net cash from / (used in) financing activities (c)	273.99	-
Finance costs	(876.91)	(797.35)
	<b>(1823.11)</b>	<b>(63.41)</b>

**INDOWIND ENERGY LIMITED**

CIN - L40108TN1995PLC032311

**Statement of cash flows for the year ended March 31, 2018**  
(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

<b>Particulars</b>	<b>For the year ended 31 March, 2018 Rs.</b>	<b>For the year ended 31 March, 2017 Rs.</b>
<b>Net decrease in cash and cash equivalents (A+B+C)</b>	<b>(91.99)</b>	<b>53.13</b>
Cash and cash equivalents at the beginning of the financial year	150.68	97.55
<b>Cash and cash equivalents at the end of the year</b>	<b>(58.69)</b>	<b>150.68</b>

**Notes:**

1. The above cash flow statement has been prepared under indirect method prescribed in Ind AS 7 "Cash Flow Statements".

2. Components of cash and cash equivalents

Balances with banks

- in current accounts

39.95

134.14

- in EEFC Account

-

-

- in Treasury bank savings accounts

(0.00)

-

Cash on hand

18.69

16.54

**58.63****150.68**

As per our report of even date attached

For **M/s Sanjiv Shah & Associates**

Chartered Accountants

FRN: 003572S

G. Ramakrishnan

Partner

Membership No. : 209035

Place: Chennai.

Date: 8<sup>th</sup> June, 2018

for and on behalf of the Board

RAVINDRANATH K S

Director

DIN - 00848817

NIRANJAN R JAGTAP

Director

DIN - 01237606

HARSHA J  
Company Secretary

K R SHYAMSUNDAR

Director

DIN - 03560150



## INDOWIND ENERGY LIMITED

CIN - L40108TN1995PLC032311

### Statement of change in equity for the year ended March 31, 2018 (All amounts are in lakhs of Indian Rupees, unless otherwise stated)

#### (A) Equity Share Capital

Balance at the beginning of April 1, 2016	8,974.15
Changes in equity share capital during the year	-
Balance at the end of March 31, 2017	8,974.15
Changes in equity share capital during the year	-
Balance at the end of March 31, 2018	8,974.15

#### (B) Other Equity

Particulars	General Reserve	Capital Reserve	Other comprehensive income	Retained Earnings	Securities Premium	FCCB Equity Portion	Total
<b>Balance as at April 1, 2016</b>	979.24	190.90	-	-	7,125.64	6,215.90	14,511.68
Additions/ (deductions) during the year	(199.38)	-	-	199.38	-	-	-
Total Comprehensive Income for the year	-	-	-	(199.38)	-	-	(199.38)
<b>Balance as at March 31, 2017</b>	<b>779.86</b>	<b>190.90</b>	<b>-</b>	<b>-</b>	<b>7,125.64</b>	<b>6,215.90</b>	<b>14,312.30</b>
Additions/ (deductions) during the year	(2,100.59)	-	-	2,100.59	-	-	-
Total Comprehensive Income for the year	-	-	-	(2,100.59)	-	-	(2,100.59)
<b>Balance as at March 31, 2018</b>	<b>(1,320.73)</b>	<b>190.90</b>	<b>-</b>	<b>-</b>	<b>7,125.64</b>	<b>6,215.90</b>	<b>12,211.71</b>

The accompanying notes form an integral part of the financial statement

As per our report of even date attached  
For **M/s Sanjiv Shah & Associates**  
Chartered Accountants  
FRN: 003572S

G. Ramakrishnan  
Partner  
Membership No. : 209035  
Place: Chennai.  
Date: 8<sup>th</sup> June, 2018

for and on behalf of the Board

RAVINDRANATH K S  
Director  
DIN - 00848817

NIRANJAN R JAGTAP  
Director  
DIN - 01237606

HARSHA J  
Company Secretary

K R SHYAMSUNDAR  
Director  
DIN - 03560150



## INDOWIND ENERGY LIMITED

CIN - L40108TN1995PLC032311

Notes to Financial Statements for the year ended March 31, 2018

### 1 Corporate Information

The Company was incorporated on July 19, 1995 as a private limited company and was converted into a deemed public limited company effective September 30, 1997 and later in September 14, 2007 it listed its shares in BSE & NSE. The Registered office is situated at Kothari building, 4th Floor, No.114, Mahatama Gandhi Salai, Nungambakkam, Chennai - 600 034. The Company is engaged in the business of generation and distribution of power through windmills.

### 2 Basis of preparation of financial statements

#### Statement of compliance

These financial statements are prepared in accordance with Indian Accounting Standards (Ind AS) under the historical cost convention on the accrual basis except for certain financial instruments which are measured at fair values, the provisions of the Companies Act, 2013 ('the Act') (to the extent notified) and guidelines issued by the Securities and Exchange Board of India (SEBI). The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.

#### Basis of preparation and presentation

For all periods up to and including the year ended March 31, 2017, the Company prepared its financial statements in accordance with accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP).

The financial statements for the year ended March 31, 2018 are the first financial statements the Company has prepared in accordance with Ind AS with the date of transition as April 1, 2016. Refer to Note 46 for information on how the Company adopted Ind AS.

#### Use of estimates

The preparation of financial statements in conformity with Generally Accepted Accounting Principles (GAAP) requires management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses and the disclosure of contingent liabilities on the date of the financial statements. Actual results could differ from those estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Any revision to accounting estimates is recognised prospectively in current and future periods.

#### Functional and presentation currency

These financial statements are presented in Indian Rupees (INR), which is the Company's functional currency. All financial information presented in INR has been rounded to the nearest lakhs (up to two decimals).



The financial statements are approved for issue by the Company's Board of Directors on June 8, 2018.

## **2A Critical accounting estimates and management judgments**

In application of the accounting policies, which are described in Note 2, the management of the Company is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and assumptions are based on historical experience and other factors that are considered to be relevant.

Information about significant areas of estimation, uncertainty and critical judgements used in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is included in the following notes.

### **Property, Plant and Equipment (PPE) and Intangible Assets**

The residual values and estimated useful life of PPEs and Intangible Assets are assessed by the technical team at each reporting date by taking into account the nature of asset, the estimated usage of the asset, the operating condition of the asset, past history of replacement and maintenance support. Upon review, the management accepts the assigned useful life and residual value for computation of depreciation/amortisation.

### **Current tax**

Calculations of income taxes for the current period are done based on applicable tax laws and management's judgement by evaluating positions taken in tax returns and interpretations of relevant provisions of law.

### **Deferred Tax Assets**

Significant management judgement is exercised by reviewing the deferred tax assets at each reporting date to determine the amount of deferred tax assets that can be retained / recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

### **Fair value**

Management uses valuation techniques in measuring the fair value of financial instruments where active market quotes are not available. In applying the valuation techniques, management makes maximum use of market inputs and uses estimates and assumptions that are, as far as possible, consistent with observable data that market participants would use in pricing the instrument. Where applicable data is not observable, management uses its best estimate about the assumptions that market participants would make. These estimates may vary from the actual prices that would be achieved in an arm's length transaction at the reporting date.

**Impairment of Trade Receivables**

The impairment for trade receivables is not required based on assumptions about non existence of risk of default and expected loss rates. The assumptions, selection of inputs for calculation of impairment are based on management judgement considering the past history, market conditions and forward looking estimates at the end of each reporting date.

**Impairment of Non-financial assets (PPE/ Intangible Assets)**

The impairment of non-financial assets is determined based on estimation of recoverable amount of such assets. The assumptions used in computing the recoverable amount are based on management judgement considering the timing of future cash flows, discount rates and the risks specific to the asset.

**Defined Benefit Plans and Other long term benefits**

The cost of the defined benefit plan and other long term benefits, and the present value of such obligation are determined by the independent actuarial valuer. An actuarial valuation involves making various assumptions that may differ from actual developments in future. Management believes that the assumptions used by the actuary in determination of the discount rate, future salary increases, mortality rates and attrition rates are reasonable. Due to the complexities involved in the valuation and its long term nature, this obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

**Fair value measurement of financial instruments**

When the fair values of financial assets and financial liabilities could not be measured based on quoted prices in active markets, management uses valuation techniques including the Discounted Cash Flow (DCF) model, to determine its fair value. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is exercised in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility.

**Provisions and contingencies**

The recognition and measurement of other provisions are based on the assessment of the probability of an outflow of resources, and on past experience and circumstances known at the reporting date. The actual outflow of resources at a future date may therefore vary from the figure estimated at end of each reporting period.

**2B Recent accounting pronouncements**

Standards issued but not yet effective

The following standards have been notified by Ministry of Corporate Affairs

- a. Ind AS 115 – Revenue from Contracts with Customers (effective from April 1, 2018)
- b. Ind AS 116 – Leases (effective from April 1, 2019)

The Company is evaluating the requirements of the above standards and the effect on



the financial statements is also being evaluated.

### **3 Significant Accounting Policies**

#### **a) Current versus non-current classification**

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification.

An asset is treated as current when it is:

- i) Expected to be realised or intended to be sold or consumed in normal operating cycle
- ii) Held primarily for the purpose of trading
- iii) Expected to be realised within twelve months after the reporting period, or
- iv) Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- i) It is expected to be settled in normal operating cycle
- ii) It is held primarily for the purpose of trading
- iii) It is due to be settled within twelve months after the reporting period, or
- iv) There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified 1 month as its operating cycle.

#### **b) Fair value measurement**

The Company has applied the fair value measurement wherever necessitated at each reporting period.

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. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- i) In the principal market for the asset or liability;
- ii) In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Company.



The fair value of an asset or liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non - financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and the best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:\

- Level 1 : Quoted (unadjusted) market prices in active market for identical assets or liabilities;
- Level 2 : Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable; and
- Level 3 : Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Company has designated the respective team leads to determine the policies and procedures for both recurring and non - recurring fair value measurement. External valuers are involved, wherever necessary with the approval of Company's board of directors. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained.

For the purpose of fair value disclosure, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risk of the asset or liability and the level of the fair value hierarchy as explained above. The component wise fair value measurement is disclosed in the relevant notes.

### **c) Revenue Recognition**

#### **Sale of Power**

Sale of power is recognised at the point of generation of power from the plant and stock points. Wherever the company enters into power sharing agreement, income is recognised





## INDOWIND ENERGY LIMITED

CIN - L40108TN1995PLC032311

Notes to Financial Statements for the year ended March 31, 2018

net of power share

Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment.

### **Interest Income**

Interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses.

### **Other income**

Dividend income is recognized when the company's right to receive dividend is established by the reporting date. Income from sale of CER(Carbon Credits) is accounted for based on eligibility criteria

### **d) Property, plant and equipment and capital work in progress**

#### **Deemed cost option for first time adopter of Ind AS**

Under the previous GAAP (Indian GAAP), property, plant and equipment were carried in the balance sheet at cost less accumulated depreciation. The Company has elected to consider the previous GAAP carrying amount of the Plant and Equipment as the deemed cost as at the date of transition, viz., 1 April 2016. However, in the case of Lands we have adopted Mark to Market Value

#### **Presentation**

Property, plant and equipment and capital work in progress are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs of a qualifying asset, if the recognition criteria are met. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. All other repair and maintenance costs are recognised in profit or loss as incurred.

Advances paid towards the acquisition of tangible assets outstanding at each balance sheet date, are disclosed as capital advances under long term loans and advances and the cost of the tangible assets not ready for their intended use before such date, are disclosed as capital work in progress.

Revenue expenses and revenue receipts incurred in connection with project implementation in so far as such expense relate to the period prior to the commencement of commercial production are treated as part of project cost and capitalised.



### **Component Cost**

All material/ significant components have been identified for the plant and have been accounted separately. The useful life of such component are analysed independently and wherever components are having different useful life other than plant they are part of, useful life of components are considered for calculation of depreciation.

The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The costs of repairs and maintenance are recognised in the statement of profit and loss as incurred.

Machinery spares that can be issued only in connection with an item of fixed assets and their issue is expected to be irregular are capitalised. Replacement of such spares is charged to revenue. Other spares are charged as revenue expenditure as and when consumed.

### **Derecognition**

Gains or losses arising from derecognition of property, plant and equipment are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

#### **e) Depreciation on property, plant and equipment**

Depreciation is the systematic allocation of the depreciable amount of an asset over its useful life on a straight line method. The depreciable amount for assets is the cost of an asset or other amount substituted for cost, less 5% being its residual value

Depreciation is provided on straight line method, over the useful lives specified in Schedule II to the Companies Act, 2013.

Depreciation for PPE on additions is calculated on pro-rata basis from the date of such additions. For deletion/disposals, the depreciation is calculated on pro-rata basis up to the date on which such assets have been discarded / sold. Additions to fixed assets, costing Rs. 5000 each or less are fully depreciated retaining its residual value.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

#### **f) Inventories**

Inventories are carried at the lower of cost and net realisable value. Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Costs are determined on weighted average method. In respect of work in progress and finished goods, the applicable overheads are included in the valuation.



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

**g) Financial Instruments**

**Financial assets and financial liabilities**

Financial assets and financial liabilities are recognised when an entity becomes a party to the contractual provisions of the instruments.

**Initial recognition and measurement**

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

**Subsequent measurement**

For purposes of subsequent measurement, financial assets are classified on the basis of their contractual cash flow characteristics and the entity's business model of managing them.

For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial instruments (other than equity instruments) at amortised cost
- Financial Instruments (other than equity instruments) at Fair value through Other comprehensive income (FVTOCI)
- Other Financial Instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL)
- Equity instruments measured at fair value through other comprehensive income (FVTOCI)

**Financial instruments (other than equity instruments) at amortised cost.**

The Company classifies a financial instruments (other than equity instruments) at amortised cost, if both the following conditions are met:

- a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows; and
- b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.



Such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss account.

**Financial Instruments (other than equity instruments) at FVTOCI**

The Company classifies a financial instrument (other than equity instrument) at FVTOCI, if both of the following criteria are met:

- a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
- b) The asset's contractual cash flows represent SPPI.

The financial instruments included within the FVTOCI category are measured as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the group recognizes interest income, impairment losses and reversals and foreign exchange gain or loss in the profit and loss statement. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to profit and loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

**Financial instruments (other than equity instruments) at FVTPL**

The Company classifies all other financial instruments, which do not meet the criteria for categorization at amortized cost or as FVTOCI, as at FVTPL.

Financial instruments included within the FVTPL category are measured at fair value with all changes recognized in the profit and loss.

**Equity investments**

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. Where the Company makes an irrevocable election of equity instruments at FVTOCI, it recognises all subsequent changes in the fair value in other comprehensive income, without any recycling of the amounts from OCI to profit and loss, even on sale of such investments.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the profit and loss.

Financial assets are measured at FVTPL except for those financial assets whose contractual terms give rise to cash flows on specified dates that represents solely payments of principal and interest thereon, are measured as detailed below depending on the business model:



## INDOWIND ENERGY LIMITED

CIN - L40108TN1995PLC032311

Notes to Financial Statements for the year ended March 31, 2018

<b>Classification</b>	<b>Name of the financial asset</b>
Amortised cost	Trade receivables, employees and related parties, deposits, interest receivable and other advances recoverable in cash.
FVTOCI	Equity investments in companies other than Subsidiary & Associate as an option exercised at the time of initial recognition.
FVTPL	Investments in mutual funds, forward exchange contracts.

### **Derecognition**

A financial asset is primarily derecognised when:

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

### **Impairment of financial assets**

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

- a) Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, trade receivables and bank balance.



- b) Financial assets that are debt instruments and are measured at FVTOCI
- c) Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 11 and Ind AS 18.

The Company follows 'simplified approach' for recognition of impairment loss allowance on:

- Trade receivables or contract revenue receivables; and
- All lease receivables resulting from transactions within the scope of Ind AS 17

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime Expected Credit Loss (ECL) at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12 months ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12 months ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR. When estimating the cash flows, the Company considers all contractual terms of the financial instrument (including prepayment, extension, call and similar options) over the expected life of the financial instrument and Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECL allowance (or reversal) recognized during the period is recognized as income/ expense in the statement of profit and loss. This amount is reflected under the head 'other expenses' in the profit and loss. The balance sheet presentation for various financial instruments is described below:

**Financial assets measured as at amortised cost, contractual revenue receivables and lease receivables:** ECL is presented as an allowance, which reduces the net carrying amount. Until the asset meets write-off criteria, the Company does not reduce impairment allowance from the gross carrying amount.

**Financial assets measured at FVTOCI:** Since financial assets are already reflected at fair value, impairment allowance is not further reduced from its value. Rather, ECL amount is presented as 'accumulated impairment amount' in the OCI.



## INDOWIND ENERGY LIMITED

CIN - L40108TN1995PLC032311

Notes to Financial Statements for the year ended March 31, 2018

For assessing increase in credit risk and impairment loss, the company combines financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on a timely basis.

For impairment purposes, significant financial assets are tested on individual basis at each reporting date. Other financial assets are assessed collectively in groups that share similar credit risk characteristics. Accordingly, the impairment testing is done retrospectively on the following basis:

Name of the financial asset	Impairment Testing Methodology
Trade Receivables	Expected Credit Loss model (ECL) is applied. The ECL over lifetime of the assets are estimated by using a provision matrix which is based on historical loss rates reflecting current conditions and forecasts of future economic conditions which are grouped on the basis of similar credit characteristics such as nature of industry, customer segment, past due status and other that are relevant to estimate the expected cash loss from these assets.
Other financial assets	When the credit risk has not increased significantly, 12 month ECL is used to provide for impairment loss. When there is significant change in credit risk since initial recognition, the impairment is measured based on probability of default over the life time. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12 month ECL.

### Financial liabilities

#### Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at FVTPL and as at amortised cost.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.



## INDOWIND ENERGY LIMITED

CIN - L40108TN1995PLC032311

Notes to Financial Statements for the year ended March 31, 2018

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts and derivative financial instruments.

The measurement of financial liabilities depends on their classification, as described below:

### Financial liabilities at FVTPL

Financial liabilities at FVTPL include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognised in the profit or loss.

For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/ loss are not subsequently transferred to profit and loss. However, the company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit or loss. The company has not designated any financial liability as at fair value through profit and loss.

Classification	Name of the financial liability
Amortised cost	Borrowings, Trade payables, Interest accrued, Unclaimed Disputed dividends, Security deposits and other financial liabilities not for trading.
FVTPL	Foreign exchange Forward contracts being derivative contracts do not qualify for hedge accounting under Ind AS 109 and other financial liabilities held for trading.

### Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

### Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument.





Financial guarantee contracts issued by the Company are initially measured at their fair values and, if not designated as at fair value through profit or loss, are subsequently measured at higher of (i) The amount of loss allowance determined in accordance with impairment requirements of Ind AS 109 – Financial Instruments and (ii) The amount initially recognised less, when appropriate, the cumulative amount of income recognised in accordance with the principles of Ind AS 18 – Revenue.

#### **Derivative financial instruments**

The Company does not hold derivative financial instruments such as foreign exchange forward and options contracts.

#### **h Foreign currency transactions and translations**

##### **Transactions and balances**

Transactions in foreign currencies are initially recorded by the Company at the functional currency spot rates at the date at which the transaction first qualifies for recognition. However, for practical reasons, the Company uses an average rate, if the average approximates the actual rate at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Exchange differences arising on settlement or translation of monetary items are recognised in profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

#### **i Borrowing Costs**

Borrowing cost include interest computed using Effective Interest Rate method, amortisation of ancillary costs incurred and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

Borrowing costs that are directly attributable to the acquisition, construction, production of a qualifying asset are capitalised as part of the cost of that asset which takes substantial period of time to get ready for its intended use. The Company determines the amount of borrowing cost eligible for capitalisation by applying capitalisation rate to the expenditure incurred on such cost. The capitalisation rate is determined based on the weighted average rate of borrowing cost applicable to the borrowings of the Company which are outstanding during



the period, other than borrowings made specifically towards purchase of the qualifying asset. The amount of borrowing cost that the Company capitalises during the period does not exceed the amount of borrowing cost incurred during that period. All other borrowings costs are expensed in the period in which they occur.

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 the statement of profit and loss in the period in which they are incurred.

**J Government Grants**

Government grants are recognised at fair value where there is a reasonable assurance that the grant will be received and all the attached conditions are complied with.

In case of revenue related grant, the income is recognised on a systematic basis over the period for which it is intended to compensate an expense and is disclosed under "Other operating revenue" or netted off against corresponding expenses wherever appropriate. Receivables of such grants are shown under "Other Financial Assets".

**k Taxes**

**Current income tax**

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the countries where the Company operates and generates taxable income.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

**Deferred tax**

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences.

Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of



unused tax credits and unused tax losses can be utilised. Where there is deferred tax assets arising from carry forward of unused tax losses and unused tax created, they are recognised to the extent of deferred tax liability.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

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

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

**I) Retirement and other employee benefits**  
**Short-term employee benefits**

A liability is recognised for short-term employee benefit in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

**Defined contribution plans**

Retirement benefit in the form of provident fund is a defined contribution scheme. The Company has no obligation, other than the contribution payable to the provident fund and super annuation fund. The Company recognizes contribution payable to the provident fund scheme as an expense, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

**Defined benefit plans**

The Company operates a defined benefit gratuity plan in India, which requires contributions to be made to a separately administered fund. The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method.



Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

### **Compensated absences**

The Company has a policy on compensated absences which are both accumulating and non-accumulating in nature. The expected cost of accumulating compensated absences is determined by actuarial valuation performed by an independent actuary at each Balance Sheet date using projected unit credit method on the additional amount expected to be paid / availed as a result of the unused entitlement that has accumulated at the Balance Sheet date. Expense on non-accumulating compensated absences is recognized in the period in which the absences occur.

### **Other long term employee benefits**

Liabilities recognised in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Company in respect of services provided by the employees up to the reporting date. Liability for un-availed leave considered to be long-term is carried based on an actuarial valuation carried out at the end of each financial year.

## **m) Leases**

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

For arrangements entered into prior to April 1, 2016, the Company has determined whether the arrangement contain lease on the basis of facts and circumstances existing on the date of transition.

A lease that transfers substantially all the risks and rewards incidental to ownership to the Company is classified as a finance lease. All other leases are operating leases.

Finance leases are capitalised at the commencement of the lease at the inception date fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the statement of profit and loss, unless



they are directly attributable to qualifying assets, in which case they are capitalized in accordance with the Company's general policy on the borrowing costs. Contingent rentals are recognised as expenses in the periods in which they are incurred.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Company will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

**n) Impairment of non financial assets\**

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

**o) Provisions, contingent liabilities and contingent asset**

**Provisions**

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

Provisions are discounted, if the effect of the time value of money is material, using pre-tax rates that reflects the risks specific to the liability. When discounting is used, an increase in the provisions due to the passage of time is recognised as finance cost. These provisions are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates.

Necessary provision for doubtful debts, claims, etc., are made if realisation of money is doubtful in the judgement of the management.

**Contingent liabilities**

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability



that cannot be recognized because it cannot be measured reliably. Contingent liabilities are disclosed separately.

Show cause notices issued by various Government authorities are considered for evaluation of contingent liabilities only when converted into demand.

**Contingent assets**

Where an inflow of economic benefits is probable, the Company discloses a brief description of the nature of the contingent assets at the end of the reporting period, and, where practicable, an estimate of their financial effect. Contingent assets are disclosed but not recognised in the financial statements.

**p) Cash and cash equivalents**

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances with original maturity of less than 3 months, highly liquid investments that are readily convertible into cash, which are subject to insignificant risk of changes in value.

**q) Cash Flow Statement**

Cash flows are presented using indirect method, whereby profit / (loss) before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments.

Bank borrowings are generally considered to be financing activities. However, where bank overdrafts which are repayable on demand form an integral part of an entity's cash management, bank overdrafts are included as a component of cash and cash equivalents for the purpose of Cash flow statement.

**r) Earnings per share**

The basic earnings per share are computed by dividing the net profit for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

Diluted EPS is computed by dividing the net profit after tax by the weighted average number of equity shares considered for deriving basic EPS and also weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted for bonus shares, as appropriate.



## INDOWIND ENERGY LIMITED

CIN - L40108TN1995PLC032311

### 4 Property, plant and equipment Notes for the year ended March 31, 2018 financial statements

Particulars	Tangible Assets : All amounts are in lakhs of Indian Rupees unless otherwise stated												Intangible Assets - Capital Advance						
	Freehold Land		Leasehold Land		Buildings		Plant and Equipment		Vehicles		Office Equipment		Agricultural Plants		Capital Advance		Total		
	Rs.		Rs.		Rs.		Rs.		Rs.		Rs.		Rs.		Rs.		Rs.		Rs.
Deemed Cost as at April 1, 2016	3,255.61		158.40		48.00		18,306.69		20.73		75.43		-		4,041.58		25,906.44		-
Additions	22.25		-		-		1,701.66		35.49		5.99		44.31		-		1,809.70		-
Disposals	-		-		-		(22.25)		(5.37)		-		-		(125.33)		(152.95)		-
Cost as at March 31, 2017	3,277.86		158.40		48.00		19,986.10		50.85		81.42		44.31		3,916.25		27,563.19		-
Additions	17.05		-		-		533.99		0.61		3.15		-		1,659.74		8,764.87		-
Disposals	(180.73)		-		-		-		-		-		-		(170.82)		(9,291.77)		-
Cost as at March 31, 2018	3,114.18		158.40		48.00		20,520.09		51.46		84.57		44.31		5,405.17		27,036.29		-
Depreciation/Amortisation Charge for the year	-		7.20		4.04		1,343.93		4.93		7.13		-		-		1,367.23		-
Disposals	-		-		-		-		(5.10)		-		-		-		(5.10)		-
As at March 31, 2017	-		7.20		4.04		1,343.93		(0.17)		7.13		-		-		1,362.13		-
Charge for the year	-		7.20		4.01		927.07		7.50		4.21		-		-		949.99		-
Ind AS Adjustments	-		-		-		-		-		-		-		-		-		-
Disposals	-		-		-		2,389.89		-		-		-		-		-		-
As at March 31, 2018	-		14.40		8.05		4,660.89		7.33		11.34		-		-		2,312.12		-
<b>Net Block</b>																			
As at April 1, 2016	3,255.61		158.40		48.00		18,306.69		20.73		75.43		-		4,041.58		25,906.44		-
As at March 31, 2017	3,277.86		151.20		43.96		18,642.17		51.02		74.29		44.31		3,916.25		26,201.06		-
As at March 31, 2018	3,114.18		144.00		39.95		15,859.20		44.13		73.23		44.31		5,405.17		24,724.17		-



## INDOWIND ENERGY LIMITED

CIN - L40108TN1995PLC032311

Notes to Financial Statements for the year ended March 31, 2018  
(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

	As at 31 March, 2018	As at 31 March, 2017	As at 1 April, 2016
<b>5 Capital Work-in-progress</b>			
Capital Work-in-progress	690.63	861.56	1,993.24
	<b>690.63</b>	<b>861.56</b>	<b>1,993.24</b>
<b>6 Non-current investments</b>			
Investment in equity instruments - FVOCI			
<b>Trade - Unquoted</b>			
Indowind Power Private Limited			
836560 (previous year : 836560 fully paid equity shares of ₹10/-)	68.26	65.66	83.66
Revati Commercial Private Limited			
2400000 (previous year : 2400000 fully paid equity shares of ₹10/-)	240.00	240.00	240.00
The Jain Sahakari Bank Limited			
[4247 (Previous year : 4247 fully paid equity shares of ₹10/-)]	4.14	4.14	4.31
India Wind Power Limited			
[1000000(Previous year : 1000000) fully paid equity shares of ₹10/-]	-	-	-
<b>Other Non-current Investments - at FVTPL</b>			
Keyman Insurance Policy	797.66	766.66	752.66
	<b>1,110.05</b>	<b>1,076.46</b>	<b>1,080.63</b>
<b>Total non-current investments</b>			
Aggregate amount of quoted investments	-	-	-
Aggregate market value of quoted investments	-	-	-
Aggregate cost of unquoted investments	312.39	309.80	327.97
Aggregate amount of impairment in value of investments	-	-	-
<b>7 Other non-current financial assets</b>			
(Unsecured, considered good)			
Security deposits	211.54	203.36	203.96
Balances with government authorities	34.95	185.08	292.13
Other Loans and Advances	-	-	-
Others	70.62	365.61	91.88
Unamortised interest expense	114.46	140.72	166.02
	<b>431.57</b>	<b>894.77</b>	<b>753.99</b>
<b>8 Other non-current assets</b>			
(Unsecured, considered good)			
Capital Expenditure Advance	632.48	632.48	632.48
Capital advances / Guarantee Deposits	-	-	-
Capital advances with	-	-	-
Others	97.28	103.95	112.80
Related Parties	369.97	1,064.54	1,280.89
Other non current assets with	-	-	-
Others	598.09	297.69	397.32
Related Parties	939.98	602.77	538.69
	<b>2,637.80</b>	<b>2,701.43</b>	<b>2,962.18</b>





## INDOWIND ENERGY LIMITED

CIN - L40108TN1995PLC032311

Notes to Financial Statements for the year ended March 31, 2018  
(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

	As at 31 March, 2018	As at 31 March, 2017	As at 1 April, 2016
<b>9 Inventories</b>			
Work-in-progress	-		257.95
Stock in Trade	14.17	142.98	24.54
	<b>14.17</b>	<b>142.98</b>	<b>325.56</b>
<b>10 Trade receivables</b>			
(unsecured, considered good)			
Outstanding for a period exceeding six months from due date of payment	359.72	343.63	313.45
Other debts	298.92	661.18	92.68
	<b>658.64</b>	<b>1,004.81</b>	<b>406.13</b>
<b>11 Cash and cash equivalents</b>			
Cash on hand	18.69	16.54	8.89
Balances with banks			
In current accounts	39.95	134.14	88.66
In Deposit Account			
Earmarked Accounts	(0.00)	-	-
Others	-	-	-
	<b>58.63</b>	<b>150.68</b>	<b>97.55</b>
<b>12 Other Bank Balances</b>			
In Deposit Accounts	-	-	-
Earmarked Deposits*	635.95	609.42	343.95
Others	-	150.00	30.00
	<b>635.95</b>	<b>759.42</b>	<b>373.95</b>
* lien marked against outstanding letters of credit			
<b>13 Other current financial assets</b>			
Unamortised expenses	-	-	-
	-	-	-
<b>14 Other current assets</b>			
(Unsecured, considered good)			
Advances to employees	19.42	10.63	9.05
Pre-paid Expenses	17.13	24.47	17.99
Other advances	-	-	-
Miscellaneous expenses to be written off	(0.01)	(0.01)	0.24
	<b>36.53</b>	<b>35.09</b>	<b>182.72</b>
<b>15 Capital</b>			
<b>Authorised Share Capital</b>			
100,000,000 Equity shares of Rs. 10 each	10,000.00	10,000.00	10,000.00
	<b>10,000.00</b>	<b>10,000.00</b>	<b>10,000.00</b>



# INDOWIND ENERGY LIMITED

CIN - L40108TN1995PLC032311

Notes to Financial Statements for the year ended March 31, 2018  
(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

	As at 31 March, 2018	As at 31 March, 2017	As at 1 April, 2016
<b>Issued Share Capital</b>			
89741486 Equity shares of Rs. 10 each	8,974.15	8,974.15	8,974.15
	<b>8,974.15</b>	<b>8,974.15</b>	<b>8,974.15</b>
<b>Subscribed and fully paid up share capital</b>			
89741486 Equity shares of Rs. 10 each	8,974.15	8,974.15	8,974.15
	<b>8,974.15</b>	<b>8,974.15</b>	<b>8,974.15</b>

**Notes:**

**(a) Reconciliation of number of equity shares subscribed**

Balance as at the beginning of the year	89,741,486	89,741,486	89,741,486
Add: Issued during the year			
<b>Balance at the end of the year</b>	<b>89,741,486</b>	<b>89,741,486</b>	<b>89,741,486</b>

**(b) Shares issued for consideration other than cash**

There are no shares which have been issued for consideration other than cash during the last 5 years.

**(c) Shareholders holding more than 5% of the total share capital**

Name of the share holder	March 31, 2018		March 31, 2017		April 1, 2016	
	No of shares	%	No of shares	%	No of shares	%
Bala KV	5437495	6.06	5437495	6.06	5437495	6.06
Loyal Credit and Investments Ltd	8125448	9.05	8125448	9.05	8125448	9.05
Indus Finance Ltd	6421765	7.16	6421765	7.16	6421765	7.16
Indeco Ventures Limited	-	-	-	-	6145653	6.85
Soura Capital Pvt. Ltd	18157751	20.23	15635927	17.42	10486153	11.68

**(d) Rights, preferences and restrictions in respect of equity shares issued by the Company**

The company has only one class of equity shares having a par value of Rs.10 each. The equity shares of the company having par value of Rs.10/- rank pari-passu in all respects including voting rights and entitlement to dividend.

**16 Other Equity**

General reserve	(1,320.73)	779.86	979.24
Other comprehensive income	-	-	-
Retained earnings	-	-	-
Securities Premium Reserve	7,125.64	7,125.64	7,125.64
Capital Reserve	190.90	190.90	190.90
CCB Equity Portion	6,215.90	6,215.90	6,215.90
<b>Total</b>	<b>12,211.71</b>	<b>14,312.30</b>	<b>14,511.68</b>



## INDOWIND ENERGY LIMITED

CIN - L40108TN1995PLC032311

Notes to Financial Statements for the year ended March 31, 2018  
(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

	As at 31 March, 2018	As at 31 March, 2017	As at 1 April, 2016
<b>a) General reserve</b>			
Balance at the beginning of the year	779.86	979.24	998.31
Additions/ (deductions) during the year	(2,100.59)	(199.38)	(19.07)
Balance at the end of the year	<b>(1,320.73)</b>	<b>779.86</b>	<b>979.24</b>
<b>b) Other comprehensive income</b>			
Balance at the beginning of the year	-	-	-
Other comprehensive income for the period	-	-	-
Deductions/Adjustments during the year	-	-	-
Balance at the end of the year	-	-	-
<b>c) Retained earnings</b>			
Balance at the beginning of the year	-	-	
Net profit for the period	(2,100.59)	(199.38)	
Transfers to General Reserve	2,100.59	199.38	19.07
Ind AS adjustments			(19.07)
Balance at the end of the year	-	-	-
<b>d) Securities Premium Reserve</b>			
Balance as at beginning and end of the year	7,125.64	7,125.64	7,125.64
<b>e) Capital Reserve</b>			
Balance as at beginning and end of the year	190.90	190.90	190.90
<b>f) FCCB - Equity Portion</b>			
Balance at the beginning of the year	6,215.90	6,215.90	
Additions during the year		-	6,215.90
Deductions/Adjustments during the year			
Balance at the end of the year	<b>6,215.90</b>	<b>6,215.90</b>	<b>6,215.90</b>
<b>17 Long Term Borrowings</b>			
From Banks	7,749.73	8,012.15	8,322.92
From Other Financial Institutions	2,206.57	2,341.08	1,658.14
	<b>9,956.30</b>	<b>10,353.23</b>	<b>9,981.06</b>
Less: Current Maturities	902.50	353.23	715.00
	<b>9,053.80</b>	<b>10,000.00</b>	<b>9,266.06</b>
<b>18 Provisions (Non -current)</b>			
Provision	-	-	-
	-	-	-



## INDOWIND ENERGY LIMITED

CIN - L40108TN1995PLC032311

Notes to Financial Statements for the year ended March 31, 2018  
(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

	As at 31 March, 2018	As at 31 March, 2017	As at 1 April, 2016
<b>19 Deferred Tax Liability/ (Asset) - Net</b>			
<b>Deferred Tax Liability</b>	-		
On depreciation	-	421.16	656.72
Tax effect on items constituting deferred tax asset	-	(152.39)	(58.08)
Prior period adjustment	-	-	(177.48)
Others	2.87	-	
<b>Gross Deferred tax liability</b>	<b>2.87</b>	<b>268.77</b>	<b>421.16</b>
<b>Deferred Tax Asset</b>			
On expenditure allowed for tax on accrual basis	-	-	-
Others	268.77	268.77	268.77
On carry forward losses on unabsorbed depreciation	-	-	-
<b>Gross Deferred tax asset</b>	<b>268.77</b>	<b>268.77</b>	<b>268.77</b>
Net deferred tax liability/ (asset)	(265.90)	-	152.39
<b>Total</b>	<b>(265.90)</b>	<b>-</b>	<b>152.39</b>
<b>20 Trade payables</b>			
Trade payables **	116.73	70.36	214.44
<b>Total</b>	<b>116.73</b>	<b>70.36</b>	<b>214.44</b>
** Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the management represents the principal amount payable to these enterprises. There are no interest due and outstanding as at the reporting date. Please refer note 38.			
<b>21 Other current liabilities</b>			
Current maturities of long term debt	902.50	353.23	715.00
Statutory Dues Payable	5.18	5.18	7.43
Interest accrued but not due	-	110.49	237.82
	<b>907.67</b>	<b>468.90</b>	<b>960.25</b>
<b>22 Provisions (Current)</b>			
Provision for Income Tax (net of advance tax)	-	2.55	3.42
	<b>-</b>	<b>2.55</b>	<b>3.42</b>



## INDOWIND ENERGY LIMITED

CIN - L40108TN1995PLC032311

Notes to Financial Statements for the year ended March 31, 2018  
(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

	For the year ended March 31, 2018	For the year ended March 31, 2017
<b>23 Revenue from operations</b>		
Sale of Products		
Power	2,423.62	2,394.49
	<b>2,423.62</b>	<b>2,394.49</b>
<b>24 Other income</b>		
Interest Income	-	-
Interest from Banks on Deposits	29.98	41.57
Interest Income - Associates	147.51	135.70
Interest Income - Others	15.35	-
Dividend Income	0.13	(0.17)
Other Non Operating Income	-	-
Keyman Insurance Bonus	31.00	14.00
Others	447.44	0.60
Profit on sale of Fixed Assets	-	45.00
	<b>671.39</b>	<b>236.70</b>
<b>25 Cost of materials consumed</b>		
Direct Cost incurred at Power Generation Site	542.18	492.24
	<b>542.18</b>	<b>492.24</b>
<b>26 Changes in inventories of work-in-progress, stock in trade and finished goods</b>		
<b>Opening Balance</b>		
Work in Progress	-	257.95
Energy Stock	142.98	24.54
	<b>142.98</b>	<b>282.49</b>
<b>Closing Balance</b>		
Work in Progress	-	-
Transfers from Projects/Purchase Returns	-	257.95
Energy Stock	14.17	142.98
	<b>14.17</b>	<b>400.93</b>
<b>Total changes in inventories</b>	<b>(128.81)</b>	<b>118.44</b>
<b>27 Employee benefits expense</b>		
Salaries and wages	189.98	179.75
Contribution to Provident and other funds	14.43	17.17
Staff Welfare Expenses	7.07	10.93
Employee Medidclaim Expenses	11.33	10.90
	<b>222.82</b>	<b>218.75</b>



## INDOWIND ENERGY LIMITED

CIN - L40108TN1995PLC032311

Notes to Financial Statements for the year ended March 31, 2018  
(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

	For the year ended March 31, 2018	For the year ended March 31, 2017
<b>28 Finance Cost</b>		
Interest Expenses		
On Borrowings	766.42	670.02
	<b>766.42</b>	<b>670.02</b>
<b>29 Depreciation and amortisation expense</b>		
Depreciation of property, plant and equipment	949.99	1,367.23
	<b>949.99</b>	<b>1,367.23</b>
<b>30 Other expenses</b>		
Power and Fuel	9.87	10.02
Advertisement	2.01	5.42
Repairs and Maintenance -Buildings	20.42	18.25
Repairs and Maintenance -Vehicles	2.88	6.51
Insurance	5.03	6.82
Rates and taxes	31.68	26.74
Communication	4.41	5.97
Travelling and Conveyance	53.18	44.72
Printing and Stationery	4.11	5.61
Business Promotion	14.41	7.67
AGM/EGM Expenses	18.81	23.11
Legal and Professional	125.63	59.70
Bank Charges	0.31	0.84
Books and periodicals	0.21	0.54
Sitting fees	5.74	3.23
Payments to auditors	5.37	10.00
Rupee fluctuations loss	19.83	-
Compensation	-	28.01
Miscellaneous Expenses	137.50	87.44
	<b>461.37</b>	<b>350.60</b>
<b>Payment to auditors</b>	461.38	
Statutory Audit Fees	3.90	3.00
Tax Audit Fees	0.50	1.00
For Taxation Matters	0.50	-
For Certification / Representation Matters	0.47	6.00
	<b>5.37</b>	<b>10.00</b>
<b>31 Exceptional items</b>		
Impairment of Plant & Machinery	2,389.89	-
<b>Total</b>	<b>2,389.89</b>	<b>-</b>



# INDOWIND ENERGY LIMITED

CIN - L40108TN1995PLC032311

Notes to Financial Statements for the year ended March 31, 2018  
(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

	For the year ended March 31, 2018	For the year ended March 31, 2017
<b>32 Income tax expense</b>		
<b>(a) Income tax expense</b>		
<b>Current tax</b>		
Current tax on profits	-	2.56
<b>Total current tax expense</b>	<u>-</u>	<u>2.56</u>
<b>Deferred tax</b>		
Opening Balance	265.89	-
Deferred tax adjustments	-	(152.39)
<b>Total deferred tax expense/(benefit)</b>	<u>265.89</u>	<u>(152.39)</u>
<b>Income tax expense</b>	<u>265.89</u>	<u>(149.83)</u>
<b>b) The income tax expense for the year can be reconciled to the accounting profit as follows:</b>		
Profit before tax from continuing operations	(2,366.48)	(349.21)
Income tax expense calculated at 30.9% (2016-17: 30.9%)	(731.24)	(107.91)
Tax Rate Changes (30.9%-30.9%) *	-	-
Effect of expenses that are not deductible in determining taxable profit	731.24	110.47
<b>Income tax expense</b>	<u>-</u>	<u>2.56</u>

The Impact is due to the difference in tax rate adopted for the current year deferred tax and previous year deferred tax

**c) Income tax recognised in other comprehensive income**

**Deferred tax**

Remeasurement of defined benefit obligation

- -

**Total income tax recognised in other comprehensive income**

- -

**d) Movement of deferred tax expense during the year ended March 31, 2018**

Deferred tax (liabilities)/assets in relation to:	Opening balance	Recognised in profit or loss	Recognised in Other comprehensive income	Closing balance
Property, plant, and equipment and Intangible Assets	(421.16)			(421.16)
Expenses allowable on payment basis under the Income Tax Act	-			-
Remeasurement of financial instruments under Ind AS	-			-
Other temporary differences	421.16		-	421.16
	-	-	-	-
MAT Credit entitlement	-			-
<b>Total</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>



## INDOWIND ENERGY LIMITED

CIN - L40108TN1995PLC032311

Notes to Financial Statements for the year ended March 31, 2018  
(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

### e) Movement of deferred tax expense during the year ended March 31, 2017

Deferred tax (liabilities)/assets in relation to:	Opening balance	Recognised in profit or loss	Recognised in Other comprehensive income	Closing balance
Property, plant, and equipment and Intangible Assets	(656.72)	235.56	-	(421.16)
Expenses allowable on payment basis under the Income Tax Act	58.08	(58.08)	-	-
Other temporary differences	446.25	(25.09)	-	421.16
	<b>(152.39)</b>	<b>152.39</b>	-	-
MAT Credit entitlement	-	-	-	-
<b>Total</b>	<b>(152.39)</b>	<b>152.39</b>	-	-

For the year ended March 31, 2018      For the year ended March 31, 2017

	Rs.	RS.
<b>33 Earnings per share</b>		
Profit for the year attributable to owners of the Company	(2,100.59)	(199.38)
Weighted average number of ordinary shares outstanding	89,741,486	89,741,486
Basic earnings per share (Rs)	(23.41)	(2.22)
Diluted earnings per share (Rs)	(23.41)	(2.22)
<b>34 Earnings in foreign currency</b>		
FOB value of exports		
Anti dumping duty refund (net of payments)	-	-
<b>35 Expenditure in foreign currency</b>		
Interest payment	565.01	619.64
Principal Repayment against EXIM Bank Borrowing	213.35	117.24
	<b>778.36</b>	<b>736.88</b>
<b>36 Value of Imports (on C.I.F basis)</b>		
Consumables and Stores	-	-
Capital goods and Spares	-	-
<b>37 Value of imported and indigenous Raw materials, Packing materials consumed and Consumable Spares during the financial year and the percentage of each to the total consumption</b>		
	For the year ended March 31, 2018	For the year ended March 31, 2017
	Value      Percentage (%)	Value      Percentage (%)
Imported	-      -	-      -
Indigenous	-      -	-      -
	-      -	-      -





## INDOWIND ENERGY LIMITED

CIN - L40108TN1995PLC032311

Notes to Financial Statements for the year ended March 31, 2018  
(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

### 38 Disclosures required by the Micro, Small and Medium Enterprises Development (MSMED) Act, 2006 are as under

- The principal amount remaining unpaid at
- The delayed payments of principal
- Interest actually paid under Section 16 of
- Normal Interest due and payable during the year, for all the delayed payments, as per the agreed terms
- Total interest accrued during the year and

\*This information has been determined to the extent such parties have been identified on the basis of information available with the Company.

### 39 Commitments and contingent liability

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
<b>Contingent Liability</b>		
Income Tax	124.50	27.00
Service Tax	218.00	218.00
VAT	46.40	46.40
Project Customers	928.16	-
Others	797.66	766.66
	<b>2,114.72</b>	<b>1,058.06</b>
<b>Contingent Asset</b>		
Dues from Banks	1,361.00	1,205.00
Dues from Utilities	651.00	582.00
Dues from Vendors	2,950.00	2,500.00
Dues from Vendors for non deliveries	785.00	785.00
	<b>5,747.00</b>	<b>5,072.00</b>
<b>Excess of Contingent Asset over Contigent Liability</b>	<b>3,632.28</b>	<b>4,013.94</b>
<b>Capital Commitments</b>		
Estimated amount of investments remaining to be executed on capital account and not provided for Tangible assets	-	-

### 40 Operating Segments

The company is engaged in the business of "Power Generation, Project sale and others which include finance" and therefore, has reported under each reportable segment as per Ind AS 108 "Operating Segments"

#### Information relating to geographical areas

##### (a) Revenue from external customers

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
India	3,095.01	2,631.19
United States of America	-	-
Other Countries	-	-
<b>Total</b>	<b>3,095.01</b>	<b>2,631.19</b>



## INDOWIND ENERGY LIMITED

CIN - L40108TN1995PLC032311

Notes to Financial Statements for the year ended March 31, 2018  
(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

### (b) Non current assets

The manufacturing facilities of the Company is situated in India and no non-current assets are held outside India

### (c) Information about major customers

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Number of external customers each contributing more than 10% of total revenue	Nil	Nil
Total revenue from the above customers		
<b>Total</b>	-	-

### 41 Operating lease arrangements

The Company has entered into operating lease arrangements for certain facilities. The leases are cancellable at the option of either party to lease and may be renewed based on mutual agreement of the parties. Lease payments recognised in the Statement of Profit and Loss is Rs.7.20 Lakhs (Previous year Rs. 7.20 Lakhs)

### 42 Details of Long Term Borrowings

	March 31, 2018			March 31, 2017		
	Non Current	Current maturities	Total	Non Current	Current maturities	Total
Banks	7,110.39	639.34	7,749.73	7,863.72	148.43	8,012.15
NBFC/FIs	1,943.41	263.16	2,206.57	2,136.28	204.80	2,341.08

### Details of terms of repayment for the other long term borrowings and security provided in respect of the secured other long term borrowings

#### 1. Term loan from banks: Export Import Bank of India

The bank has released only USD 12.570 Mn as against total sanction limit of USD 25 Mn. 8 Mw Project assets are pledged against the part release. Loyal Credit and Investments Limited who have pledged 40 Lakhs shares of Indowind Energy Limited for enabling release of entire sanctioned amount has filed claim for release of shares. Company is negotiating for release of either balance of funds or shares and also reversal of USD. 1,85,278.00 claimed by bank as penalty

#### 2. Term loans from other parties

##### i) Indian Renewable Energy Development Agency Limited

Secured against 6 WEGs of 1.5 Mw each situated in the state of Karnataka

##### ii) LIC of India

Secured against the key man policy and repayable on maturity / surrender of Policy



## INDOWIND ENERGY LIMITED

CIN - L40108TN1995PLC032311

Notes to Financial Statements for the year ended March 31, 2018  
(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

### 43 Financial Instruments

#### Capital management

The Company manages its capital to ensure that entities in the Company will be able to continue as going concern, while maximising the return to stakeholders through the optimisation of the debt and equity balance.

The Company determines the amount of capital required on the basis of annual operating plans and long-term product and other strategic investment plans. The funding requirements are met through equity, long-term borrowings and other short-term borrowings.

For the purposes of the Company's capital management, capital includes issued capital, share premium and all other equity reserves attributable to the equity holders.

<b>Gearing Ratio:</b>	<b>March 31, 2018</b>	<b>March 31, 2017</b>	<b>April 1, 2016</b>
Debt	9,053.80	10,000.00	9,266.06
Less: Cash and bank balances	694.58	910.10	471.50
Net debt	8,359.22	9,089.90	8,794.56
Total equity	21,185.85	23,286.45	23,485.83
Net debt to equity ratio (%)	39.46%	39.04%	7.45%

<b>Categories of Financial Instruments</b>	<b>March 31, 2018</b>	<b>March 31, 2017</b>	<b>April 1, 2016</b>
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#### Financial assets

##### a. Measured at amortised cost

Loans Given	-	-	-
Other non-current financial assets	431.57	894.77	753.99
Trade receivables	658.64	1,004.81	406.13
Cash and cash equivalents	58.63	150.68	97.55
Bank balances other than above	635.95	759.42	373.95
Other financial assets	-	-	-

##### b. Mandatorily measured at fair value through profit or loss (FVTPL)

Investments	1,110.05	1,076.46	1,080.63
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#### Financial liabilities

##### a. Measured at amortised cost

Borrowings (short term)	-	-	-
Trade payables	116.73	70.36	214.44

##### b. Mandatorily measured at fair value through profit or loss (FVTPL)

Derivative instruments	-	-	-
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## INDOWIND ENERGY LIMITED

CIN - L40108TN1995PLC032311

Notes to Financial Statements for the year ended March 31, 2018  
(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

### Financial risk management objectives

The treasury function provides services to the business, co-ordinates access to domestic and international financial markets, monitors and manages the financial risks relating to the operations through internal risk reports which analyse exposures by degree and magnitude of risks. These risks include market risk (including currency risk, interest rate risk and other price risk), credit risk and liquidity risk.

The Company seeks to minimise the effects of these risks by using natural hedging financial instruments and forward contracts to hedge risk exposures. The use of financial derivatives is governed by the Company's policies approved by the board of directors, which provide written principles on foreign exchange risk, the use of financial derivatives, and the investment of excess liquidity. The Company does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

### Market risk

Market risk is the risk of any loss in future earnings, in realizable fair values or in future cash flows that may result from a change in the price of a financial instrument. The Company's activities expose it primarily to the financial risks of changes in foreign currency exchange rates and interest rates. The Company actively manages its currency and interest rate exposures through its finance division and uses derivative instruments such as forward contracts and currency swaps, wherever required, to mitigate the risks from such exposures. The use of derivative instruments is subject to limits and regular monitoring by appropriate levels of management.

### Foreign currency risk management

The Company undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise. The Company actively manages its currency rate exposures through a centralised treasury division and uses natural hedging principles to mitigate the risks from such exposures. The use of derivative instruments, if any, is subject to limits and regular monitoring by appropriate levels of management.

The carrying amounts of the Company's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows:

### As on March 31, 2018 (all amounts are in equivalent Rs. in lakhs)

Currency	Liabilities			Assets			Net overall exposure on the currency - net assets / (net liabilities)
	Gross exposure	Exposure hedged using derivatives	Net liability exposure on the currency	Gross exposure	Exposure hedged using derivatives	Net asset exposure on the currency	
USD	119.15	-	119.15	-	-	-	-119.15
EUR	-	-	-	-	-	-	-
In INR	-	-	-	-	-	-	-



## INDOWIND ENERGY LIMITED

CIN - L40108TN1995PLC032311

Notes to Financial Statements for the year ended March 31, 2018  
(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

As on March 31, 2017 (all amounts are in equivalent Rs. in lakhs)

Currency	Liabilities			Assets			Net overall exposure on the currency - net assets / (net liabilities)
	Gross exposure	Exposure hedged using derivatives	Net liability exposure on the currency	Gross exposure	Exposure hedged using derivatives	Net asset exposure on the currency	
USD	122.49	-	122.49	-	-	-	(122.49)
EUR	-	-	-	-	-	-	-
in INR	-	-	-	-	-	-	-

As on April 1, 2016 (all amounts are in equivalent Rs. in lakhs)

Currency	Liabilities			Assets			Net overall exposure on the currency - net assets / (net liabilities)
	Gross exposure	Exposure hedged using derivatives	Net liability exposure on the currency	Gross exposure	Exposure hedged using derivatives	Net asset exposure on the currency	
USD	125.47	-	125.47	-	-	-	(125.47)
EUR	-	-	-	-	-	-	-
in INR	-	-	-	-	-	-	-

### Foreign currency sensitivity analysis

Movement in the functional currencies of the various operations of the Company against major foreign currencies may impact the Company's revenues from its operations. Any weakening of the functional currency may impact the Company's cost of imports and cost of borrowings and consequently may increase the cost of financing the Company's capital expenditures. The foreign exchange rate sensitivity is calculated for each currency by aggregation of the net foreign exchange rate exposure of a currency and a simultaneous parallel foreign exchange rates shift in the foreign exchange rates of each currency by 2%, which represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 2% change in foreign currency rates.

In management's opinion, the sensitivity analysis is unrepresentative of the inherent foreign exchange risk because the exposure at the end of the reporting period does not reflect the exposure during the year.

### Interest rate risk management

The Company is exposed to interest rate risk because it borrow funds at both fixed and floating interest rates. The risk is managed by the Company by maintaining an appropriate mix between fixed and floating rate borrowings and by the use of interest rate swap contracts. Hedging activities are evaluated regularly to align with interest rate views and defined risk appetite, ensuring the most cost-effective hedging strategies are applied. Further, in appropriate cases, the Company also effects changes in the borrowing arrangements to convert floating interest rates to fixed interest rates.



## INDOWIND ENERGY LIMITED

CIN - L40108TN1995PLC032311

Notes to Financial Statements for the year ended March 31, 2018  
(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

### Interest rate sensitivity analysis

The sensitivity analyses below have been determined based on the exposure to interest rates for both derivatives and non-derivative instruments at the end of the reporting period. For floating rate liabilities, the analysis is prepared assuming the amount of the liability outstanding at the end of the reporting period was outstanding for the whole year. A 25 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

The 25 basis point interest rate changes will impact the profitability by INR 24.95 Lakhs for the year (Previous INR 25.89 Lakhs)

### Credit risk management

Credit risk arises when a customer or counterparty does not meet its obligations under a customer contract or financial instrument, leading to a financial loss. The Company is exposed to credit risk from its operating activities primarily trade receivables and from its financing/ investing activities, including deposits with banks and foreign exchange transactions. The Company has no significant concentration of credit risk with any counterparty.

### Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure is the total of the carrying amount of balances with banks, short term deposits with banks, trade receivables, margin money and other financial assets excluding equity investments.

#### (a) Trade Receivables

Trade receivables are consisting of a large number of customers. The Company has credit evaluation policy for each customer and, based on the evaluation, credit limit of each customer is defined. Wherever the Company assesses the credit risk as high, the exposure is backed by either bank, guarantee/letter of credit or security deposits.

The Company does not have higher concentration of credit risks to a single customer. As per simplified approach, the Company makes provision of expected credit losses on trade receivables using a provision matrix to mitigate the risk of default in payments and makes appropriate provision at each reporting date wherever outstanding is for longer period and involves higher risk.

#### (b) Investments, Derivative Instruments, Cash and Cash Equivalents and Bank deposits

Credit Risk on cash and cash equivalents, deposits with the banks/financial institutions is generally low as the said deposits have been made with the banks/financial institutions, who have been assigned high credit rating by international and domestic rating agencies.

Credit Risk on Derivative Instruments is generally low as the Company enters into the Derivative Contracts with the reputed Banks.

### Offsetting related disclosures

Offsetting of cash and cash equivalents to borrowings as per the consortium agreement is available only to the bank in the event of a default. Company does not have the right to offset in case of the counter party's bankruptcy, therefore, these disclosures are not required.

**INDOWIND ENERGY LIMITED**

CIN - L40108TN1995PLC032311

Notes to Financial Statements for the year ended March 31, 2018  
(All amounts are in lakhs of Indian Rupees, unless otherwise stated)**Liquidity risk management**

Liquidity risk refers to the risk that the Company cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements. The Company invests its surplus funds in bank fixed deposit, which carry minimal mark to market risks. The Company also constantly monitors funding options available in the debt and capital markets with a view to maintaining financial flexibility.

**Liquidity tables**

The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay.

<b>March 31, 2018</b>	<b>Due in 1<sup>st</sup> year</b>	<b>Due in 2nd to 5<sup>th</sup> year</b>	<b>Due after 5<sup>th</sup> year</b>	<b>Carrying amount</b>
Trade payables	116.73	-	-	116.73
Other financial liabilities	-	-	-	-
Borrowings (including interest accrued thereon upto the reporting date)	02.50	3,610.00	5,443.80	9,956.30
	<b>1,019.23</b>	<b>3,610.00</b>	<b>5,443.80</b>	<b>10,073.03</b>

<b>March 31, 2017</b>	<b>Due in 1<sup>st</sup> year</b>	<b>Due in 2nd to 5<sup>th</sup> year</b>	<b>Due after 5<sup>th</sup> year</b>	<b>Carrying amount</b>
Trade payables	70.36	-	-	70.36
Other financial liabilities	-	-	-	-
Borrowings (including interest accrued thereon upto the reporting date)	353.23	1,412.92	8,587.08	10,353.23
	<b>423.59</b>	<b>1,412.92</b>	<b>8,587.08</b>	<b>10,423.59</b>

<b>April 1, 2016</b>	<b>Due in 1<sup>st</sup> year</b>	<b>Due in 2nd to 5<sup>th</sup> year</b>	<b>Due after 5<sup>th</sup> year</b>	<b>Carrying amount</b>
Trade payables	214.44	-	-	214.44
Other financial liabilities	-	-	-	-
Borrowings (including interest accrued thereon upto the reporting date)	715.00	2,860.00	6,406.06	9,981.06
	<b>929.44</b>	<b>2,860.00</b>	<b>6,406.06</b>	<b>10,195.50</b>

March 31, 2018    March 31, 2017    April 1, 2016

Fair value of financial assets and financial liabilities that are not measured at fair value (but fair value disclosures are required):

Nil

Nil

Nil



## INDOWIND ENERGY LIMITED

CIN - L40108TN1995PLC032311

Notes to Financial Statements for the year ended March 31, 2018  
(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

#### 44 Related party disclosure

##### a) List of parties having significant influence

<b>Holding company</b>	The Company does not have any holding company
<b>Entities in which directors are interested</b>	Indowind Power Private Limited
<b>Associate Companies</b>	Indus Finance Limited Ind Eco Ventures Limited Indonet Global Limited Indus Nutri Power Private Limited Loyal Credit and Investments Limited Indus Capital Private Limited Everon Power Limited Bekae Properties Private Limited Soura Capital Private limited Perpetual Power Private Limited

##### Key management personnel

Bala V Kutti	Chairman
K S Ravindranath	Whole Time Director
Harsha J	Company Secretary

##### b) Transactions during the year

Nature of Transactions	2017-18	2016-17
Subsidiary		
Power Share Income	1,231.32	1,322.32
Investments	68.26	65.66
Companies where key managerial personnel has significant influence		
Power Share Income	116.54	98.61
Interest Income	147.51	135.70
Investments	240.00	240.00
Directors		
Travelling Expense	28.20	13.25
Sitting Fees	4.98	2.78

##### c) Balance at the end of the year

Companies where Key Managerial Person have significant influence	Balances Outstanding at end of the year	
	2017-18	2016-17
<b>Companies where Key Managerial Person have significant influence-Accruals Payments</b>		
Capital Advances - Acquisition of 6Mw Wind Project	3,806.16	3,916.25
Capital Advances/Guarantee Deposits- Secured	1,002.45	1,697.02
Other Current Assets		
Long Term Trade Advances	418.00	73.95
Capital WIP	688.63	709.97
Subsidiary		
Long Term Trade Advances	528.81	528.81
<b>Companies where Key Managerial Person have significant influence-Accruals Payments</b>		
Trade/Other Payables	-	1.50





## INDOWIND ENERGY LIMITED

CIN - L40108TN1995PLC032311

Notes to Financial Statements for the year ended March 31, 2018  
(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

### 45 Retirement benefit plans

#### Defined contribution plans

In accordance with Indian law, eligible employees of the Company are entitled to receive benefits in respect of provident fund, a defined contribution plan, in which both employees and the Company make monthly contributions at a specified percentage of the covered employees' salary. The contributions, as specified under the law, are made to the Provident Fund.

The total expense recognised in profit or loss of Rs. 10.51 Lakhs (for the year ended March 31, 2017: Rs. 10.29 Lakhs) represents contribution paid to these plans by the Company at rates specified in the rules of the plan.

#### Defined benefit plans

##### (a) Gratuity

Gratuity is payable as per Payment of Gratuity Act, 1972. In terms of the same, gratuity is computed by multiplying last drawn salary (basic salary including dearness Allowance if any) by completed years of continuous service with part thereof in excess of six months and again by 15/26. The Act provides for a vesting period of 5 years for withdrawal and retirement and a monetary ceiling on gratuity payable to an employee on separation, as may be prescribed under the Payment of Gratuity Act, 1972, from time to time. However, in cases where an enterprise has more favourable terms in this regard the same has been adopted.

These plans typically expose the Company to actuarial risks such as: investment risk, interest rate risk and salary risk.

Investment risk	The present value of the defined benefit plan liability is calculated using a discount rate determined by reference to the market yields on government bonds denominated in Indian Rupees. If the actual return on plan asset is below this rate, it will create a plan deficit.
Interest risk	A decrease in the bond interest rate will increase the plan liability. However, this will be partially offset by an increase in the return on the plan's debt investments.
Longevity risk	The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.
Salary risk	The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

The principal assumptions used for the purposes of the actuarial valuations were as follows:

Particulars	March 31, 2018	March 31, 2017
Discount Rate	8.00% p.a.	8.00% p.a.
Rate of increase in compensation level	7.00% p.a.	7.00% p.a.



## INDOWIND ENERGY LIMITED

CIN - L40108TN1995PLC032311

Notes to Financial Statements for the year ended March 31, 2018  
(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

<b>Amounts recognised in total comprehensive income in respect of these defined benefit plans are as follows:</b>	<b>March 31, 2018</b>	<b>March 31, 2017</b>
	<b>Rs. Lakhs</b>	<b>Rs. Lakhs</b>
Current service cost	244,535	232,758
Net interest expense	329,402	292,179
Return on plan assets (excluding amounts included in net interest expense)	-	-
Components of defined benefit costs recognised in profit or loss	<b>573,937</b>	<b>524,937</b>
Remeasurement on the net defined benefit liability comprising:		
Actuarial (gains)/losses recognised during the period	-	-
Components of defined benefit costs recognised in other comprehensive income	-	-
	<b>573,937</b>	<b>524,937</b>

- The current service cost and the net interest expense for the year are included in the 'employee benefits expense' in profit or loss.
- The remeasurement of the net defined benefit liability is included in other comprehensive income.

**The amount included in the balance sheet arising from the Company's obligation in respect of its defined benefit plans is as follows:**

Present value of defined benefit obligation	4,532,790	4,112,176
Fair value of plan assets	(4,440,892)	(4,035,567)
Net liability/ (asset) arising from defined benefit obligation	<b>91,898</b>	<b>76,609</b>
Funded	91,898	76,609
Unfunded	-	-
	<b>91,898</b>	<b>76,609</b>

The above provisions are reflected under 'Provision for employee benefits- gratuity' (long-term provisions). Excess of fair value of plan assets over present value of obligation is reflected under 'Prepaid expenses- gratuity' (other current assets)

**Movements in the present value of the defined benefit obligation in the current year were as follows:**

Opening defined benefit obligation	3,958,853	3,587,239
Current service cost	244,535	232,758
Interest cost	329,402	292,179
Actuarial (gains)/losses	-	-
Benefits paid	-	-
Closing defined benefit obligation	<b>4,532,790</b>	<b>4,112,176</b>



## INDOWIND ENERGY LIMITED

CIN - L40108TN1995PLC032311

Notes to Financial Statements for the year ended March 31, 2018  
(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

### Movements in the fair value of the plan assets in the current year were as follows:

Opening fair value of plan assets	4,035,567	3,291,084
Acquisition Adjustment		
Interest Income	329,402	292,179
Return on plan assets	-	-
Contributions	75,924	452,304
Benefits paid	-	-
Closing fair value of plan assets	<u>4,440,892.28</u>	<u>4,035,567</u>

In view of the fact that the Company for preparing the sensitivity analysis considers the present value of the defined benefit obligation which has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognised in the balance sheet.

### 46 First-time adoption of Ind AS

#### Transition to Ind AS

These are the Company's first financial statements prepared in accordance with Ind AS.

The accounting policies set out in Note 3 have been applied in preparing the financial statements for the year ended March 31, 2018, the comparative information presented in these financial statements for the year ended March 31, 2017 and in the preparation of an opening Ind AS balance sheet at April 1, 2016 (The company's date of transition).

In preparing its opening Ind AS balance sheet, the company has adjusted the amounts reported previously in financial statements prepared in accordance with the accounting standards generally applicable to the Company (as amended from time to time) and other relevant provisions of the Act (previous GAAP or Indian GAAP).

An explanation of how the transition from previous GAAP to Ind AS has affected The company's financial position, financial performance and cash flows is set out in the following tables and notes.

#### A. Exemptions and exceptions availed

Set out below are the applicable Ind AS 101 optional exemptions and mandatory exceptions applied in the transition from previous GAAP to Ind AS.

##### A.1 Ind AS optional exemptions

###### A.1.1 Deemed cost for Property, Plant and Equipment

Ind AS 101 permits a first-time adopter to elect to fair value a class of property, plant and equipment or to continue with the carrying value for all of its PPE as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition after making necessary adjustments for de-commissioning liabilities.

Accordingly, the company has elected to fair value its land as on the date of transition and continue to measure other classes of property, plant and equipment at their previous GAAP values.

###### A.1.2 Designation of previously recognised financial instruments

Ind AS 101 allows an entity to designate investments in equity instruments at FVOCI or FVTPL on the basis of the facts and circumstances at the date of transition to Ind AS. The company has elected to apply this exemption for its investment in equity investments.



## INDOWIND ENERGY LIMITED

CIN - L40108TN1995PLC032311

Notes to Financial Statements for the year ended March 31, 2018  
(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

### **A.2 Ind AS mandatory exceptions**

#### **A.2.1 Estimates**

An entity's estimates in accordance with Ind ASs at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error.

Ind AS estimates as at April 1, 2016 are consistent with the estimates as at the same date made in conformity with previous GAAP. The company made estimates for impairment of financial assets based on expected credit loss model in accordance with Ind AS at the date of transition as these were not required under previous GAAP:

### **B. Notes to first-time adoption**

#### **B.1 Fair valuation of land as deemed cost**

Ind AS 101 permits a first-time adopter to elect to fair value a class of property, plant and equipment or to continue with the carrying value for all of its PPE as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition after making necessary adjustments for de-commissioning liabilities.

The company has elected to fair value its land as on the date of transition and apply Ind AS 16 retrospectively on other classes of property, plant and equipment.

#### **B.2 Fair valuation of financial assets and liabilities**

Under Ind AS, financial assets and liabilities are to be valued at amortised cost or fair valued through profit and loss (FVTPL) or fair valued through other comprehensive income (FVTOCI) based on the Company's business objectives and the cash flow characteristics of the underlying financial assets and liabilities. The Company has remeasured the financial assets and liabilities as on the date of transition and the consequential impact has been given in the opening retained earnings.

#### **B.3 Transaction costs in respect of financial instruments**

Under the previous GAAP, transaction costs in relation to financial liabilities are charged to the profit and loss in the year in which they are incurred.

As per Ind AS 109, transaction costs in relation to financial liabilities are to be reduced from the related financial liabilities and amortised over the repayment period of the said liability. The same has been considered in the opening and comparative period financial statements.

#### **B.4 Reclassification of Foreign Currency Convertible Bonds**

Under Ind AS, if the liability portion of FCCB is not outstanding as at the transition date has to be reclassified as other equity. Accordingly, the Company has reclassified the equity portion of FCCB to other equity.

#### **B.5 Depreciation**

The company has elected to fair value its land as on the date of transition and apply Ind AS 16 retrospectively on other classes of property, plant and equipment. The consequential depreciation has been remeasured and accounted in the Ind AS financial statements.

#### **B.6 Remeasurement of post-employment benefit obligations**

Under Ind AS, remeasurements i.e. actuarial gains and losses and the return on plan assets, excluding amounts included in the net interest expense on the net defined benefit liability are recognised in other comprehensive income instead of profit or loss. Under the previous GAAP, these remeasurements were forming part of the profit or loss for the year. Adjustments have been made for such re-classifications. This has no impact on the profits/ equity as per Ind AS.



## INDOWIND ENERGY LIMITED

CIN - L40108TN1995PLC032311

Notes to Financial Statements for the year ended March 31, 2018  
(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

### B.7 Deferred tax

Under Ind AS, the deferred tax asset and liabilities are required to be accounted based on balance sheet approach. The Company is also required to remeasure the carrying amount of MAT credit entitlement as per Ind AS. Accordingly, the Company has remeasured its deferred tax assets and liabilities as aforesaid and accounted in the Ind AS financial statements.

### 47 Key reconciliation required as per Ind AS 101 on transition to Ind AS

#### (a) Reconciliation of equity

	As at March 31, 2017	As at April 1, 2016
<b>Total equity / shareholders' funds as per Indian GAAP</b>	<b>17,346.69</b>	<b>17,289.00</b>
<b>Ind AS Adjustments</b>		
Impact of fair valuation of land as deemed cost	2,581.74	2,581.73
Remeasurement of financial instruments	(2,494.64)	(2,537.96)]
Impact of Amortised Cost on term Loan	140.72	166.02
Reclassification of FCCB into equity	6,215.90	6,215.90
Remeasurement of property, plant and equipment	(772.73)	(497.63)]
Deferred tax impact on Ind AS adjustments	268.77	268.77
<b>Total equity/ shareholders' funds as per Ind AS</b>	<b>23,286.45</b>	<b>23,485.83</b>

#### (b) Reconciliation of Profits

	For the year ended March 31, 2017
<b>Total comprehensive income as per Indian GAAP</b>	<b>140.75</b>
<b>Ind AS Adjustments</b>	
Remesurement of financial assets and liabilities	(39.73)
Impact of Amortised Cost on term Loan	(25.30)
Remeasurement of depreciation on PPE	(275.10)
Deferred Tax Impacts	-
<b>Total comprehensive income as per Ind AS</b>	<b>(199.38)</b>

The accompanying notes form an integral part of the financial statements

As per our report of even date attached

For **M/s Sanjiv Shah & Associates**

Chartered Accountants

FRN: 003572S

G. Ramakrishnan

Partner

Membership No. : 209035

Place: Chennai.

Date: 8<sup>th</sup> June, 2018

for and on behalf of the Board

RAVINDRANATH K S  
Director  
DIN - 00848817

NIRANJAN R JAGTAP  
Director  
DIN - 01237606

HARSHA J  
Company Secretary

K R SHYAMSUNDAR  
Director  
DIN - 03560150



**INDEPENDENT AUDITOR'S REPORT**

**To the Members of Indowind Energy Financial Statements  
Report on the Consolidated Indian Accounting Standards (Ind AS) Financial Statements**

We have audited the accompanying consolidated Ind AS financial statements of Indowind Energy Limited (the Holding Company”) and its subsidiaries and associate (The Holding and the subsidiary together referred to as “the Group”) comprising the consolidated Balance Sheet as at 31<sup>st</sup> March, 2018, the consolidated Statement of Profit and Loss and consolidated (Including other comprehensive income), the consolidated statement of changes in equity, the consolidated statement of Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information .

**Management's Responsibility for the Consolidated Ind AS Financial Statements**

The Holding Company's Board of Directors is responsible for the preparation of these consolidated Ind AS financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as “the Act”) that give a true and fair view of the consolidated financial position, consolidated financial performance, including other comprehensive income, consolidated cash flows and the consolidated statement of changes in equity of the company in accordance with accounting principles generally accepted in India including the Indian Accounting Standards specified in the Companies (Indian Accounting Standards) Rules, 2015 (as amended) under Section 133 of the Act with relevant rules issued thereon. The respective Board of Directors of the company included in the group are responsible for maintenance of adequate accounting record in accordance with the provisions of the Act for safeguarding the asset of the group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error .which has been used for the purpose of preparation of the consolidated Ind AS Financial statement by the directors of the holding company, as aforesaid.

**Auditors' Responsibility**

Our responsibility is to express an opinion on these consolidated Ind AS financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under

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



statements are free from material misstatement.

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

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

### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Ind AS, of the consolidated financial position of the Group, as at 31 March 2018 and its consolidated financial performance including other comprehensive income, its consolidated cash flows and the consolidated changes in equity for the year then ended

### **Report on Other Legal and Regulatory Requirements**

1. As required by Section 143(3) of the Act, we report, that :
  - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated Ind AS financial statements.
  - b. In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated Ind AS financial statements have been kept so far as it appears from our examination of those books.
  - c. The consolidated Balance Sheet, the consolidated Statement of Profit and Loss, the Consolidated Statement of Cash Flows and Consolidated Statement of Changes in Equity dealt with by this report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements.
  - d. In our opinion, the aforesaid consolidated Ind AS financial statements comply with the accounting standards specified under Section 133 of the Act, read with relevant rules issued there under.
  - e. On the basis of the written representations received from the directors of the Holding Company as on 31 March 2018 taken on record by the Board of Directors of the Holding



## INDOWIND ENERGY LIMITED

Company and the reports of the statutory auditors of its subsidiary company incorporated in India, none of the Directors of the Group companies incorporated in India is disqualified as on 31 March 2018 from being appointed as a Director of that company 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 Group and the operating effectiveness of such controls, refer to our separate report in 'Annexure A'; and
- g. With respect to the other matters to be included in the Auditors' 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 consolidated Ind AS financial statements disclose the impact of pending litigations on the consolidated financial position of the Group. Refer to Note 39 to the consolidated Ind AS financial statements;
  - ii. The group did not have any material foreseeable losses on long term contracts including derivative contracts.
  - iii. There has been no delay in transferring amounts required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its subsidiary company incorporated in India;

**For Sanjiv Shah and Associates**  
**Chartered Accountants**  
**Firm Regn.No-003572S**

**CA G Ramakrishnan**  
**Partner**  
**M. No.209035**

**Place: Chennai**  
**Date: 08-06-2018**





## **Annexure A to the Auditors' Report**

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

In conjunction with our audit of the consolidated Ind AS financial statements of the Company as of and for the year ended 31 March 2018, we have audited the internal financial controls over financial reporting of Indowind Energy Limited ('the Holding Company') and its subsidiary company which is company incorporated in India, as of that date.

### **Management's Responsibility for Internal Financial Controls**

The respective Board of Directors of the Holding Company and its subsidiary company, which is company incorporated in India, are 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 (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the 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.

### **Auditors' Responsibility**

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

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



## **INDOWIND ENERGY LIMITED**

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

### **Meaning of Internal Financial Controls over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized 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 Holding Company and its subsidiary company, which is company incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 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 ICAI.

**For Sanjiv Shah and Associates  
Chartered Accountants  
Firm Regn.No-003572S**

**CA G Ramakrishnan  
Partner  
M. No.209035**

**Place: Chennai  
Date: 08-06-2018**



# INDOWIND ENERGY LIMITED

CIN - L40108TN1995PLC032311

Consolidated Balance Sheet as at 31 March, 2018  
(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

Particulars	Notes	As at 31 March, 2018	As at 31 March, 2017	As at 1 April, 2016
<b>ASSETS</b>				
<b>Non-current assets</b>				
Property, plant and equipment	4	24,724.17	26,201.06	25,906.44
Intangible assets	4	575.39	575.39	575.39
Capital work in progress	5	690.63	861.56	1,993.24
Financial assets				
Investments	6	1,045.75	1,014.75	1,000.92
Other financial assets	7	431.57	894.77	753.99
Other non-current assets	8	2,108.99	2,606.57	2,433.37
<b>Total non-current assets</b>		<b>29,576.51</b>	<b>32,154.10</b>	<b>32,663.35</b>
<b>Current assets</b>				
Inventories	9	14.17	142.98	325.56
Financial assets				
Trade receivables	10	603.39	635.50	468.07
Cash and cash equivalents	11	66.59	162.74	98.36
Bank balances other than above	12	635.95	759.42	373.95
Other current assets	14	210.32	62.49	210.08
<b>Total current assets</b>		<b>1,530.42</b>	<b>1,763.13</b>	<b>1,476.02</b>
<b>Total Assets</b>		<b>31,106.93</b>	<b>33,917.24</b>	<b>34,139.37</b>
<b>EQUITY AND LIABILITIES</b>				
Equity				
Equity share capital	15	8,974.15	8,974.15	8,974.15
Other equity	16	12,287.23	14,389.97	14,549.50
<b>Total equity</b>		<b>21,261.38</b>	<b>23,364.12</b>	<b>23,523.65</b>
<b>Liabilities</b>				
Non-current liabilities				
Financial liabilities				
Borrowings	17	9,053.80	10,000.00	9,266.06
Provisions	18	-	-	-
Deferred Tax Liabilities (net)	19	(265.90)	-	152.39
<b>Total non-current liabilities</b>		<b>8,787.90</b>	<b>10,000.00</b>	<b>9,418.45</b>
<b>Current liabilities</b>				
Financial liabilities				
Trade payables	20	131.12	79.97	233.03
Other current liabilities	21	926.53	470.60	960.81
Short Term Provisions	22	-	2.55	3.42
<b>Total current liabilities</b>		<b>1,057.65</b>	<b>553.12</b>	<b>1,197.26</b>
<b>Total liabilities</b>		<b>9,845.55</b>	<b>10,553.12</b>	<b>10,615.71</b>
<b>Total Equity and Liabilities</b>		<b>31,106.93</b>	<b>33,917.24</b>	<b>34,139.37</b>

The accompanying notes form an integral part of the financial statements

As per our report of even date attached

For **M/s Sanjiv Shah & Associates**

Chartered Accountants

FRN: 003572S

G. Ramakrishnan

Partner

Membership No. : 209035

Place: Chennai.

Date: 8<sup>th</sup> June, 2018

for and on behalf of the Board

RAVINDRANATH K S

Director

DIN - 00848817

NIRANJAN R JAGTAP

Director

DIN - 01237606

HARSHA J

Company Secretary

K R SHYAMSUNDAR

Director

DIN - 03560150



# INDOWIND ENERGY LIMITED

CIN - L40108TN1995PLC032311

## Consolidated Statement of Profit and Loss for the year ended 31 March, 2018 (All amounts are in lakhs of Indian Rupees, unless otherwise stated)

Particulars	Notes.	For the year ended 31 March, 2018 Rs.	For the year ended 31 March, 2017 Rs.
<b>Continuing Operations</b>			
<b>A Income</b>			
Revenue from operations	23	2,615.65	2,602.20
Other income	24	671.39	236.70
<b>Total income</b>		<b>3,287.04</b>	<b>2,838.90</b>
<b>B Expenses</b>			
Cost of materials consumed	25	729.55	695.26
Changes in inventories of finished goods	26	128.81	(118.44)
Employee Benefits Expense	27	222.82	218.75
Finance costs	28	766.42	670.02
Depreciation and amortisation expense	29	949.99	1,367.23
Other expenses	30	464.39	354.19
<b>Total expenses</b>		<b>3,261.98</b>	<b>3,187.00</b>
<b>C Profit before exceptional items and tax</b>		<b>25.06</b>	<b>(348.10)</b>
Exceptional items	31	(2,389.89)	-
<b>D Profit before tax from continuing operations</b>		<b>(2,364.83)</b>	<b>(348.10)</b>
Income tax expense	32		
Current tax		(0.51)	2.90
Deferred tax charge/ (credit)		(265.89)	(152.39)
<b>Profit for the year</b>		<b>(2,098.43)</b>	<b>(198.61)</b>
<b>E Other comprehensive income</b>			
Items that will not be reclassified to profit or loss			
Remeasurement of post employment benefit obligations		-	-
Income tax relating to these items		-	-
<b>Other comprehensive income for the year, net of tax</b>		<b>-</b>	<b>-</b>
<b>Total comprehensive income for the year</b>		<b>(2,098.43)</b>	<b>(198.61)</b>
Earnings per share	33		
Basic earnings per share		(23.38)	(2.21)
Diluted earnings per share		(23.38)	(2.21)

The accompanying notes form an integral part of the financial statements

As per our report of even date attached

For **M/s Sanjiv Shah & Associates**

Chartered Accountants

FRN: 003572S

G. Ramakrishnan

Partner

Membership No. : 209035

Place: Chennai.

Date: 8<sup>th</sup> June, 2018

for and on behalf of the Board

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## INDOWIND ENERGY LIMITED

CIN - L40108TN1995PLC032311

### Statement of cash flows for the year ended March 31, 2018 (All amounts are in lakhs of Indian Rupees, unless otherwise stated)

Particulars	For the year ended 31 March, 2018 Rs.	For the year ended 31 March, 2017 Rs.
<b>Cash Flow From Operating Activities</b>		
Profit before income tax	(2,364.83)	(348.10)
Adjustments for		
Depreciation and amortisation expense	949.99	1,367.23
(Profit)/ Loss on sale of fixed asset	-	(45.00)
Interest received	(192.83)	(177.27)
Finance costs	766.42	670.02
	(841.25)	1466.88
Change in operating assets and liabilities		
(Increase)/ decrease in Other financial assets	463.20	(140.78)
(Increase)/ decrease in inventories	128.81	182.58
(Increase)/ decrease in trade receivables	32.11	(167.43)
(Increase)/ decrease in Other assets	349.74	(25.61)
Increase/ (decrease) in provisions and other liabilities	566.46	(362.88)
Increase/ (decrease) in trade payables	51.15	(153.06)
Cash generated from operations	750.23	799.69
Less : Income taxes paid (net of refunds)	(3.06)	(3.77)
<b>Net cash from operating activities (A)</b>	<b>747.17</b>	<b>795.92</b>
<b>Cash Flows From Investing Activities</b>		
Purchase of PPE (including changes in CWIP)	517.10	(678.02)
Sale proceeds of PPE (including changes in CWIP)	177.39	204.27
Purchase / disposal proceeds of Investments	(31.00)	(13.83)
(Investments in)/ Maturity of fixed deposits with banks	123.47	(385.47)
Interest income	(192.83)	177.27
<b>Net cash used in investing activities (B)</b>	<b>979.79</b>	<b>(668.12)</b>
<b>Cash Flows From Financing Activities</b>		
Proceeds from/ (repayment of) long term borrowings	(946.20)	733.94
Finance costs	(876.91)	(797.35)
<b>Net cash from/ (used in) financing activities (C)</b>	<b>(1,823.11)</b>	<b>(63.41)</b>

**INDOWIND ENERGY LIMITED**

CIN - L40108TN1995PLC032311

**Statement of cash flows for the year ended March 31, 2018**  
(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

<b>Particulars</b>	<b>For the year ended 31 March, 2018 Rs.</b>	<b>For the year ended 31 March, 2017 Rs.</b>
<b>Net decrease in cash and cash equivalents (A+B+C)</b>	(96.16)	64.39
Cash and cash equivalents at the beginning of the financial year	162.74	98.36
<b>Cash and cash equivalents at end of the year</b>	<b>(66.59)</b>	<b>162.75</b>

## Notes:

1. The above cash flow statement has been prepared under indirect method prescribed in Ind AS 7 "Cash Flow Statements".

## 2. Components of cash and cash equivalents

## Balances with banks

- in current accounts

47.63

145.92

- in Treasury bank savings accounts

-

-

Cash on hand

18.96

16.82

**66.59****162.74**

As per our report of even date attached

For **M/s Sanjiv Shah & Associates**

Chartered Accountants

FRN: 003572S

G. Ramakrishnan

Partner

Membership No. : 209035

Place: Chennai.

Date: 8<sup>th</sup> June, 2018

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HARSHA J  
Company Secretary

K R SHYAMSUNDAR

Director

DIN - 03560150



## INDOWIND ENERGY LIMITED

CIN - L40108TN1995PLC032311

### Consolidated Statements of equity for the year ended March 31, 2018 (All amounts are in lakhs of Indian Rupees, unless otherwise stated)

#### (A) Equity Share Capital

Balance at the beginning of April 1, 2016	8,974.15
Changes in equity share capital during the year	-
Balance at the end of March 31, 2017	8,974.15
Changes in equity share capital during the year	-
Balance at the end of March 31, 2018	8,974.15

#### (B) Other Equity

Particulars	General Reserve	Capital Reserve	Other comprehensive Income	Minority Interest	Retained Earnings	Securities Premium	FCCB Equity Portion	Total
<b>Balance as at April 1, 2016</b>	986.06	190.90	-	31.01	-	7,125.64	6,215.90	14,549.50
Additions/ (deductions) during the year	(198.61)	-	-	39.08	198.61	-	-	38.32
Total Comprehensive Income for the year	-	-	-	-	(198.61)	-	-	(198.61)
<b>Balance as at March 31, 2017</b>	<b>(787.44)</b>	<b>190.90</b>	<b>-</b>	<b>70.09</b>	<b>-</b>	<b>7,125.64</b>	<b>6,215.90</b>	<b>14,389.21</b>
Additions/ (deductions) during the year	(2,098.43)	-	-	(4.30)	2,098.43	-	-	(4.30)
Total Comprehensive Income for the year	-	-	-	-	(2,098.43)	-	-	(2,098.43)
<b>Balance as at March 31, 2018</b>	<b>(1,310.98)</b>	<b>190.90</b>	<b>-</b>	<b>65.79</b>	<b>-</b>	<b>7,125.64</b>	<b>6,215.90</b>	<b>12,287.24</b>

The accompanying notes forming part of the financial statements

As per our report of even date attached

For **M/s Sanjiv Shah & Associates**

Chartered Accountants

FRN: 003572S

G. Ramakrishnan

Partner

Membership No. : 209035

Place: Chennai.

Date: 8<sup>th</sup> June, 2018

for and on behalf of the Board

RAVINDRANATH K S

Director

DIN - 00848817

NIRANJAN R JAGTAP

Director

DIN - 01237606

K R SHYAMSUNDAR

Director

DIN - 03560150

HARSHA J

Company Secretary



## INDOWIND ENERGY LIMITED

CIN - L40108TN1995PLC032311

Notes to Financial Statements for the year ended March 31, 2018

### 1 Corporate Information

The Company was incorporated on July 19, 1995 as a private limited company and was converted into a deemed public limited company effective September 30, 1997 and later in September 14, 2007 it listed its shares in BSE & NSE. The Registered office is situated at Kothari building, 4th Floor, No.114, Mahatma Gandhi Salai, Nungambakkam, Chennai - 600 034. The Company is engaged in the business of generation and distribution of power through windmills.

### 2 Basis of preparation of financial statements

#### Statement of compliance

These financial statements are prepared in accordance with Indian Accounting Standards (Ind AS) under the historical cost convention on the accrual basis except for certain financial instruments which are measured at fair values, the provisions of the Companies Act, 2013 ('the Act') (to the extent notified) and guidelines issued by the Securities and Exchange Board of India (SEBI). The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.

#### Basis of preparation and presentation

For all periods up to and including the year ended March 31, 2017, the Company prepared its financial statements in accordance with accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP).

The financial statements for the year ended March 31, 2018 are the first financial statements the Company has prepared in accordance with Ind AS with the date of transition as April 1, 2016. Refer to Note 46 for information on how the Company adopted Ind AS.

#### Use of estimates

The preparation of financial statements in conformity with Generally Accepted Accounting Principles (GAAP) requires management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses and the disclosure of contingent liabilities on the date of the financial statements. Actual results could differ from those estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Any revision to accounting estimates is recognised prospectively in current and future periods.

#### Functional and presentation currency

These financial statements are presented in Indian Rupees (INR), which is the Company's functional currency. All financial information presented in INR has been rounded to the nearest lakhs (up to two decimals).





The financial statements are approved for issue by the Company's Board of Directors on June 8, 2018.

## **2A Critical accounting estimates and management judgments**

In application of the accounting policies, which are described in Note 2, the management of the Company is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and assumptions are based on historical experience and other factors that are considered to be relevant.

Information about significant areas of estimation, uncertainty and critical judgements used in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is included in the following notes.

### **Property, Plant and Equipment (PPE) and Intangible Assets**

The residual values and estimated useful life of PPEs and Intangible Assets are assessed by the technical team at each reporting date by taking into account the nature of asset, the estimated usage of the asset, the operating condition of the asset, past history of replacement and maintenance support. Upon review, the management accepts the assigned useful life and residual value for computation of depreciation/amortisation.

### **Current tax**

Calculations of income taxes for the current period are done based on applicable tax laws and management's judgement by evaluating positions taken in tax returns and interpretations of relevant provisions of law.

### **Deferred Tax Assets**

Significant management judgement is exercised by reviewing the deferred tax assets at each reporting date to determine the amount of deferred tax assets that can be retained / recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

### **Fair value**

Management uses valuation techniques in measuring the fair value of financial instruments where active market quotes are not available. In applying the valuation techniques, management makes maximum use of market inputs and uses estimates and assumptions that are, as far as possible, consistent with observable data that market participants would use in pricing the instrument. Where applicable data is not observable, management uses its best estimate about the assumptions that market participants would make. These estimates may vary from the actual prices that would be achieved in an arm's length transaction at the reporting date.

**Impairment of Trade Receivables**

The impairment for trade receivables is not required based on assumptions about non existence of risk of default and expected loss rates. The assumptions, selection of inputs for calculation of impairment are based on management judgement considering the past history, market conditions and forward looking estimates at the end of each reporting date.

**Impairment of Non-financial assets (PPE/ Intangible Assets)**

The impairment of non-financial assets is determined based on estimation of recoverable amount of such assets. The assumptions used in computing the recoverable amount are based on management judgement considering the timing of future cash flows, discount rates and the risks specific to the asset.

**Defined Benefit Plans and Other long term benefits**

The cost of the defined benefit plan and other long term benefits, and the present value of such obligation are determined by the independent actuarial valuer. An actuarial valuation involves making various assumptions that may differ from actual developments in future. Management believes that the assumptions used by the actuary in determination of the discount rate, future salary increases, mortality rates and attrition rates are reasonable. Due to the complexities involved in the valuation and its long term nature, this obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

**Fair value measurement of financial instruments**

When the fair values of financial assets and financial liabilities could not be measured based on quoted prices in active markets, management uses valuation techniques including the Discounted Cash Flow (DCF) model, to determine its fair value. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is exercised in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility.

**Provisions and contingencies**

The recognition and measurement of other provisions are based on the assessment of the probability of an outflow of resources, and on past experience and circumstances known at the reporting date. The actual outflow of resources at a future date may therefore vary from the figure estimated at end of each reporting period.

**2B Recent accounting pronouncements****Standards issued but not yet effectiv**

The following standards have been notified by Ministry of Corporate Affairs

- a. Ind AS 115 – Revenue from Contracts with Customers (effective from April 1, 2018)
- b. Ind AS 116 – Leases (effective from April 1, 2019)



The Company is evaluating the requirements of the above standards and the effect on the financial statements is also being evaluated.

### **3) Significant Accounting Policies**

#### **a) Current versus non-current classification**

The Company presents assets and liabilities in the balance sheet based on current/non-current classification.

An asset is treated as current when it is:

- i) Expected to be realised or intended to be sold or consumed in normal operating cycle
- ii) Held primarily for the purpose of trading
- iii) Expected to be realised within twelve months after the reporting period, or
- iv) Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- i) It is expected to be settled in normal operating cycle
- ii) It is held primarily for the purpose of trading
- iii) It is due to be settled within twelve months after the reporting period, or
- iv) There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified 1 month as its operating cycle.

#### **b) Fair value measurement**

The Company has applied the fair value measurement wherever necessitated at each reporting period.

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. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- i) In the principal market for the asset or liability;
- ii) In the absence of a principal market, in the most advantageous market for the asset or liability.



The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non - financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and the best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:\

- Level 1 : Quoted (unadjusted) market prices in active market for identical assets or liabilities;
- Level 2 : Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable; and
- Level 3 : Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Company has designated the respective team leads to determine the policies and procedures for both recurring and non - recurring fair value measurement. External valuers are involved, wherever necessary with the approval of Company's board of directors. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained.

For the purpose of fair value disclosure, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risk of the asset or liability and the level of the fair value hierarchy as explained above. The component wise fair value measurement is disclosed in the relevant notes.

### **c) Revenue Recognition**

#### **Sale of Power**

Sale of power is recognised at the point of generation of power from the plant and stock points. Wherever the company enters into power sharing agreement, income is recognised



net of power share

Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment.

### **Interest Income**

Interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses.

### **Other income**

Dividend income is recognized when the company's right to receive dividend is established by the reporting date. Income from sale of CER(Carbon Credits) is accounted for based on eligibility criteria

### **d) Property, plant and equipment and capital work in progress**

#### **Deemed cost option for first time adopter of Ind AS**

Under the previous GAAP (Indian GAAP), property, plant and equipment were carried in the balance sheet at cost less accumulated depreciation. The Company has elected to consider the previous GAAP carrying amount of the Plant and Equipment as the deemed cost as at the date of transition, viz., 1 April 2016. However, in the case of Lands we have adopted Mark to Market Value

### **Presentation**

Property, plant and equipment and capital work in progress are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs of a qualifying asset, if the recognition criteria are met. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. All other repair and maintenance costs are recognised in profit or loss as incurred.

Advances paid towards the acquisition of tangible assets outstanding at each balance sheet date, are disclosed as capital advances under long term loans and advances and the cost of the tangible assets not ready for their intended use before such date, are disclosed as capital work in progress.

Revenue expenses and revenue receipts incurred in connection with project implementation in so far as such expense relate to the period prior to the commencement of commercial production are treated as part of project cost and capitalised.



### **Component Cost**

All material/ significant components have been identified for the plant and have been accounted separately. The useful life of such component are analysed independently and wherever components are having different useful life other than plant they are part of, useful life of components are considered for calculation of depreciation.

The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The costs of repairs and maintenance are recognised in the statement of profit and loss as incurred.

Machinery spares that can be issued only in connection with an item of fixed assets and their issue is expected to be irregular are capitalised. Replacement of such spares is charged to revenue. Other spares are charged as revenue expenditure as and when consumed.

### **Derecognition**

Gains or losses arising from derecognition of property, plant and equipment are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

#### **e) Depreciation on property, plant and equipment**

Depreciation is the systematic allocation of the depreciable amount of an asset over its useful life on a straight line method. The depreciable amount for assets is the cost of an asset or other amount substituted for cost, less 5% being its residual value

Depreciation is provided on straight line method, over the useful lives specified in Schedule II to the Companies Act, 2013.

Depreciation for PPE on additions is calculated on pro-rata basis from the date of such additions. For deletion/disposals, the depreciation is calculated on pro-rata basis up to the date on which such assets have been discarded / sold. Additions to fixed assets, costing Rs. 5000 each or less are fully depreciated retaining its residual value.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

#### **f) Inventories**

Inventories are carried at the lower of cost and net realisable value. Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Costs are determined on weighted average method. In respect of work in progress and finished goods, the applicable overheads are included in the valuation.



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

**g) Financial Instruments**

**Financial assets and financial liabilities**

Financial assets and financial liabilities are recognised when an entity becomes a party to the contractual provisions of the instruments.

**Initial recognition and measurement**

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

**Subsequent measurement**

For purposes of subsequent measurement, financial assets are classified on the basis of their contractual cash flow characteristics and the entity's business model of managing them.

For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial instruments (other than equity instruments) at amortised cost
- Financial Instruments (other than equity instruments) at Fair value through Other comprehensive income (FVTOCI)
- Other Financial Instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL)
- Equity instruments measured at fair value through other comprehensive income (FVTOCI)

**Financial instruments (other than equity instruments) at amortised cost.**

The Company classifies a financial instruments (other than equity instruments) at amortised cost, if both the following conditions are met:

- a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows; and
- b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.



Such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss account.

**Financial Instruments (other than equity instruments) at FVTOCI**

The Company classifies a financial instrument (other than equity instrument) at FVTOCI, if both of the following criteria are met:

- a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
- b) The asset's contractual cash flows represent SPPI.

The financial instruments included within the FVTOCI category are measured as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the group recognizes interest income, impairment losses and reversals and foreign exchange gain or loss in the profit and loss statement. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to profit and loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

**Financial instruments (other than equity instruments) at FVTPL**

The Company classifies all other financial instruments, which do not meet the criteria for categorization at amortized cost or as FVTOCI, as at FVTPL.

Financial instruments included within the FVTPL category are measured at fair value with all changes recognized in the profit and loss.

**Equity investments**

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. Where the Company makes an irrevocable election of equity instruments at FVTOCI, it recognises all subsequent changes in the fair value in other comprehensive income, without any recycling of the amounts from OCI to profit and loss, even on sale of such investments.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the profit and loss.

Financial assets are measured at FVTPL except for those financial assets whose contractual terms give rise to cash flows on specified dates that represents solely payments of principal and interest thereon, are measured as detailed below depending on the business model:





## INDOWIND ENERGY LIMITED

CIN - L40108TN1995PLC032311

Notes to Financial Statements for the year ended March 31, 2018

Classification	Name of the financial asset
Amortised cost	Trade receivables, employees and related parties, deposits, interest receivable and other advances recoverable in cash.
FVTOCI	Equity investments in companies other than Subsidiary & Associate as an option exercised at the time of initial recognition.
FVTPL	Investments in mutual funds, forward exchange contracts.

### Derecognition

A financial asset is primarily derecognised when:

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

### Impairment of financial assets

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

- a) Financial assets that are debt instruments, and are measured at amortised cost e.g.,



loans, debt securities, deposits, trade receivables and bank balance.

- b) Financial assets that are debt instruments and are measured at FVTOCI
- c) Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 11 and Ind AS 18.

The Company follows 'simplified approach' for recognition of impairment loss allowance on:

- Trade receivables or contract revenue receivables; and
- All lease receivables resulting from transactions within the scope of Ind AS 17

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime Expected Credit Loss (ECL) at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12 months ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12 months ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR. When estimating the cash flows, the Company considers all contractual terms of the financial instrument (including prepayment, extension, call and similar options) over the expected life of the financial instrument and Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECL allowance (or reversal) recognized during the period is recognized as income/ expense in the statement of profit and loss. This amount is reflected under the head 'other expenses' in the profit and loss. The balance sheet presentation for various financial instruments is described below:

**Financial assets measured as at amortised cost, contractual revenue receivables and lease receivables:** ECL is presented as an allowance, which reduces the net carrying amount. Until the asset meets write-off criteria, the Company does not reduce impairment allowance from the gross carrying amount.



## INDOWIND ENERGY LIMITED

CIN - L40108TN1995PLC032311

Notes to Financial Statements for the year ended March 31, 2018

**Financial assets measured at FVTOCI:** Since financial assets are already reflected at fair value, impairment allowance is not further reduced from its value. Rather, ECL amount is presented as 'accumulated impairment amount' in the OCI.

For assessing increase in credit risk and impairment loss, the company combines financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on a timely basis.

For impairment purposes, significant financial assets are tested on individual basis at each reporting date. Other financial assets are assessed collectively in groups that share similar credit risk characteristics. Accordingly, the impairment testing is done retrospectively on the following basis:

Name of the financial asset	Impairment Testing Methodology
Trade Receivables	Expected Credit Loss model (ECL) is applied. The ECL over lifetime of the assets are estimated by using a provision matrix which is based on historical loss rates reflecting current conditions and forecasts of future economic conditions which are grouped on the basis of similar credit characteristics such as nature of industry, customer segment, past due status and other that are relevant to estimate the expected cash loss from these assets.
Other financial assets	When the credit risk has not increased significantly, 12 month ECL is used to provide for impairment loss. When there is significant change in credit risk since initial recognition, the impairment is measured based on probability of default over the life time. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12 month ECL.

### Financial liabilities

#### Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at FVTPL and as at amortised cost.



Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts and derivative financial instruments.

The measurement of financial liabilities depends on their classification, as described below:

### **Financial liabilities at FVTPL**

Financial liabilities at FVTPL include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognised in the profit or loss.

For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/ loss are not subsequently transferred to profit and loss. However, the company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit or loss. The company has not designated any financial liability as at fair value through profit and loss.

<b>Classification</b>	<b>Name of the financial liability</b>
Amortised cost	Borrowings, Trade payables, Interest accrued, Unclaimed Disputed dividends, Security deposits and other financial liabilities not for trading.
FVTPL	Foreign exchange Forward contracts being derivative contracts do not qualify for hedge accounting under Ind AS 109 and other financial liabilities held for trading.

### **Loans and borrowings**

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.



### **Financial guarantee contracts**

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument.

Financial guarantee contracts issued by the Company are initially measured at their fair values and, if not designated as at fair value through profit or loss, are subsequently measured at higher of (i) The amount of loss allowance determined in accordance with impairment requirements of Ind AS 109 – Financial Instruments and (ii) The amount initially recognised less, when appropriate, the cumulative amount of income recognised in accordance with the principles of Ind AS 18 – Revenue.

### **Derivative financial instruments**

The Company does not hold derivative financial instruments such as foreign exchange forward and options contracts.

## **h Foreign currency transactions and translations**

### **Transactions and balances**

Transactions in foreign currencies are initially recorded by the Company at the functional currency spot rates at the date at which the transaction first qualifies for recognition. However, for practical reasons, the Company uses an average rate, if the average approximates the actual rate at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Exchange differences arising on settlement or translation of monetary items are recognised in profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

## **i Borrowing Costs**

Borrowing cost include interest computed using Effective Interest Rate method, amortisation of ancillary costs incurred and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

Borrowing costs that are directly attributable to the acquisition, construction, production of a qualifying asset are capitalised as part of the cost of that asset which takes substantial period of time to get ready for its intended use. The Company determines the amount of borrowing



cost eligible for capitalisation by applying capitalisation rate to the expenditure incurred on such cost. The capitalisation rate is determined based on the weighted average rate of borrowing cost applicable to the borrowings of the Company which are outstanding during the period, other than borrowings made specifically towards purchase of the qualifying asset. The amount of borrowing cost that the Company capitalises during the period does not exceed the amount of borrowing cost incurred during that period. All other borrowings costs are expensed in the period in which they occur.

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 the statement of profit and loss in the period in which they are incurred.

**J Government Grants**

Government grants are recognised at fair value where there is a reasonable assurance that the grant will be received and all the attached conditions are complied with.

In case of revenue related grant, the income is recognised on a systematic basis over the period for which it is intended to compensate an expense and is disclosed under "Other operating revenue" or netted off against corresponding expenses wherever appropriate. Receivables of such grants are shown under "Other Financial Assets".

**k Taxes**

**Current income tax**

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the countries where the Company operates and generates taxable income.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

**Deferred tax**

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences.



Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised. Where there is deferred tax assets arising from carry forward of unused tax losses and unused tax created, they are recognised to the extent of deferred tax liability.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

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

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

**I) Retirement and other employee benefits**  
**Short-term employee benefits**

A liability is recognised for short-term employee benefit in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

**Defined contribution plans**

Retirement benefit in the form of provident fund is a defined contribution scheme. The Company has no obligation, other than the contribution payable to the provident fund and super annuation fund. The Company recognizes contribution payable to the provident fund scheme as an expense, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

**Defined benefit plans**

The Company operates a defined benefit gratuity plan in India, which requires contributions to be made to a separately administered fund. The cost of providing benefits under the



defined benefit plan is determined using the projected unit credit method.

Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

### **Compensated absences**

The Company has a policy on compensated absences which are both accumulating and non-accumulating in nature. The expected cost of accumulating compensated absences is determined by actuarial valuation performed by an independent actuary at each Balance Sheet date using projected unit credit method on the additional amount expected to be paid / availed as a result of the unused entitlement that has accumulated at the Balance Sheet date. Expense on non-accumulating compensated absences is recognized in the period in which the absences occur.

### **Other long term employee benefits**

Liabilities recognised in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Company in respect of services provided by the employees up to the reporting date. Liability for un-availed leave considered to be long-term is carried based on an actuarial valuation carried out at the end of each financial year.

### **m) Leases**

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

For arrangements entered into prior to April 1, 2016, the Company has determined whether the arrangement contain lease on the basis of facts and circumstances existing on the date of transition.

A lease that transfers substantially all the risks and rewards incidental to ownership to the Company is classified as a finance lease. All other leases are operating leases.

Finance leases are capitalised at the commencement of the lease at the inception date fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the statement of profit and loss, unless





they are directly attributable to qualifying assets, in which case they are capitalized in accordance with the Company's general policy on the borrowing costs. Contingent rentals are recognised as expenses in the periods in which they are incurred.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Company will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

**n) Impairment of non financial assets**

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

**o) Provisions, contingent liabilities and contingent asset**

**Provisions**

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

Provisions are discounted, if the effect of the time value of money is material, using pre-tax rates that reflects the risks specific to the liability. When discounting is used, an increase in the provisions due to the passage of time is recognised as finance cost. These provisions are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates.

Necessary provision for doubtful debts, claims, etc., are made if realisation of money is doubtful in the judgement of the management.

**Contingent liabilities**

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. Contingent liabilities are disclosed separately.



## INDOWIND ENERGY LIMITED

CIN - L40108TN1995PLC032311

Notes to Financial Statements for the year ended March 31, 2018

Show cause notices issued by various Government authorities are considered for evaluation of contingent liabilities only when converted into demand.

### **Contingent assets**

Where an inflow of economic benefits is probable, the Company discloses a brief description of the nature of the contingent assets at the end of the reporting period, and, where practicable, an estimate of their financial effect. Contingent assets are disclosed but not recognised in the financial statements.

### **p) Cash and cash equivalents**

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances with original maturity of less than 3 months, highly liquid investments that are readily convertible into cash, which are subject to insignificant risk of changes in value.

### **q) Cash Flow Statement**

Cash flows are presented using indirect method, whereby profit / (loss) before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments.

Bank borrowings are generally considered to be financing activities. However, where bank overdrafts which are repayable on demand form an integral part of an entity's cash management, bank overdrafts are included as a component of cash and cash equivalents for the purpose of Cash flow statement.

### **r) Earnings per share**

The basic earnings per share are computed by dividing the net profit for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

Diluted EPS is computed by dividing the net profit after tax by the weighted average number of equity shares considered for deriving basic EPS and also weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted for bonus shares, as appropriate.



## INDOWIND ENERGY LIMITED

### 4 Property, plant and equipment Notes forming part of the consolidated financial statements

CIN - L40108TN1995PLC032311

Particulars	Tangible Assets																			
	Freehold Land		Leasehold Land		Buildings		Plant and Equipment		Vehicles		Office Equipment		Agricultural Plants		Capital Advance		Total		Intangible Assets	
	Rs	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Deemed Cost as at April 1, 2016	3,255.61	158.40	48.00	18,306.69	20.73	75.43	18,306.69	20.73	75.43	20.73	75.43	18,306.69	20.73	75.43	-	4,041.58	25,906.44	575.39		
Additions	22.25	-	-	1,701.66	35.49	5.99	1,701.66	35.49	5.99	35.49	5.99	1,701.66	35.49	5.99	44.31	-	1,809.70	-		
Disposals	-	-	-	(22.25)	(5.37)	-	(22.25)	(5.37)	-	(5.37)	-	(22.25)	(5.37)	-	-	(125.33)	(152.95)	-		
Cost as at March 31, 2017	3,277.86	158.40	48.00	19,986.10	50.85	81.42	19,986.10	50.85	81.42	50.85	81.42	19,986.10	50.85	81.42	44.31	3,916.25	27,563.19	575.39		
Additions	17.05	-	-	533.99	0.61	3.15	533.99	0.61	3.15	0.61	3.15	533.99	0.61	3.15	-	1,659.74	8,764.87	-		
Disposals	(180.73)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(170.82)	(9,291.77)	-		
Cost as at March 31, 2018	3,114.18	158.40	48.00	20,520.09	51.46	84.57	20,520.09	51.46	84.57	51.46	84.57	20,520.09	51.46	84.57	44.31	5,405.17	27,036.29	575.39		
Depreciation/Amortisation Charge for the year	-	7.20	4.04	1,343.93	4.93	7.13	1,343.93	4.93	7.13	4.93	7.13	1,343.93	4.93	7.13	-	-	1,367.23	-		
Disposals	-	-	-	-	(5.10)	-	-	(5.10)	(5.10)	(5.10)	-	-	(5.10)	-	-	-	(5.10)	-		
As at March 31, 2017	-	7.20	4.04	1,343.93	(0.17)	7.13	1,343.93	(0.17)	7.13	7.50	4.21	927.07	7.50	4.21	-	1,362.13	-	-		
Charge for the year	-	7.20	4.01	927.07	7.50	4.21	927.07	7.50	4.21	7.50	4.21	927.07	7.50	4.21	-	-	949.99	-		
Ind AS Adjustments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
Disposals	-	-	-	2,389.89	-	-	2,389.89	-	-	-	-	2,389.89	-	-	-	-	2,389.89	-		
As at March 31, 2018	-	14.40	8.05	4,660.89	7.33	11.34	4,660.89	7.33	11.34	7.33	11.34	4,660.89	7.33	11.34	-	-	4,702.01	-		
<b>Net Block</b>																				
As at April 1, 2016	3,255.61	158.40	48.00	18,306.69	20.73	75.43	18,306.69	20.73	75.43	20.73	75.43	18,306.69	20.73	75.43	-	4,041.58	25,906.44	575.39		
As at March 31, 2017	3,277.86	151.20	43.96	18,642.17	51.02	74.29	18,642.17	51.02	74.29	51.02	74.29	18,642.17	51.02	74.29	44.31	3,916.25	26,201.06	575.39		
As at March 31, 2018	3,114.18	144.00	39.95	15,859.20	44.13	73.23	15,859.20	44.13	73.23	44.13	73.23	15,859.20	44.13	73.23	44.31	5,405.17	24,724.17	575.39		



## INDOWIND ENERGY LIMITED

CIN - L40108TN1995PLC032311

Notes to Financial Statements for the year ended March 31, 2018  
(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

	As at 31 March, 2018	As at 31 March, 2017	As at 1 April, 2016
<b>5 Capital Work-in-progress</b>			
Capital Work-in-progress	690.63	861.56	1,993.24
	<b>690.63</b>	<b>861.56</b>	<b>1,993.24</b>
<b>6 Non-current investments</b>			
Investment in equity instruments - FVOCI			
<b>Trade - Unquoted</b>			
Indowind Power Private Limited			
836560 (previous year : 836560 fully paid equity shares of ₹10/-)	-	-	-
Revati Commercial Private Limited			
2400000 (previous year : 2400000 fully paid equity shares of ₹10/-)	243.95	243.95	243.95
The Jain Sahakari Bank Limited			
[4247 (Previous year : 4247 fully paid equity shares of ₹10/-)	4.14	4.14	4.31
India Wind Power Limited			
[1000000(Previous year : 1000000) fully paid equity shares of ₹10/-]	-	-	-
<b>Other Non-current Investments - at FVTPL</b>			
Keyman Insurance Policy	797.66	766.66	752.66
	<b>1,045.75</b>	<b>1,014.75</b>	<b>1000.92</b>
<b>Total non-current investments</b>			
Aggregate amount of quoted investments	-	-	-
Aggregate market value of quoted investments	-	-	-
Aggregate cost of unquoted investments	248.09	248.09	248.26
<b>7 Other non-current financial assets</b>			
(Unsecured, considered good)			
Security deposits	211.54	203.36	203.96
Balances with government authorities	34.95	185.08	292.13
Others	70.62	365.61	91.88
Unamortised interest expense	114.46	140.72	166.02
	<b>431.57</b>	<b>894.77</b>	<b>753.99</b>
<b>8 Other non-current assets</b>			
(Unsecured, considered good)			
Capital Expenditure Advance	632.48	632.48	632.48
Capital advances / Guarantee Deposits	-	-	-
Capital advances with			
Others	97.28	103.95	112.80
Related Parties	(158.84)	969.68	752.08
Other non current assets with			
Others	598.09	297.69	397.32
Related Parties	939.98	602.77	538.69
	<b>2,108.99</b>	<b>2,606.57</b>	<b>2,433.37</b>



## INDOWIND ENERGY LIMITED

CIN - L40108TN1995PLC032311

Notes to Financial Statements for the year ended March 31, 2018  
(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

	As at 31 March, 2018	As at 31 March, 2017	As at 1 April, 2016
<b>9 Inventories</b>			
Work-in-progress	-	-	257.95
Stock in Trade	14.17	142.98	24.54
	<b>14.17</b>	<b>142.98</b>	<b>325.56</b>
<b>10 Trade receivables</b> (unsecured, considered good)			
Outstanding for a period exceeding six months from due date of payment	420.68	354.01	333.62
Other debts	182.71	281.49	134.45
	<b>603.39</b>	<b>635.50</b>	<b>468.07</b>
<b>11 Cash and cash equivalents</b>			
Cash on hand	18.96	16.82	9.01
Balances with banks			
In current accounts	47.63	145.92	89.35
In Deposit Account			
Earmarked Accounts	-	-	-
Others	-	-	-
	<b>66.59</b>	<b>162.74</b>	<b>98.36</b>
<b>12 Other Bank Balances</b>			
In Deposit Accounts			
Earmarked Deposits*	635.95	609.42	343.95
Others	-	150.00	30.00
	<b>635.95</b>	<b>759.42</b>	<b>373.95</b>
* lien marked against outstanding letters of credit			
<b>13 Other current financial assets</b>			
Unamortised expenses	-	-	-
	-	-	-
<b>14 Other current assets</b> (Unsecured, considered good)			
Advances to employees	19.42	10.63	9.05
Pre-paid Expenses	40.71	51.87	45.35
Miscellaneous expenses to be written off	(0.01)	(0.01)	0.24
	<b>210.32</b>	<b>62.49</b>	<b>210.08</b>
<b>15 Capital</b>			
<b>Authorised Share Capital</b>			
100,000,000 Equity shares of Rs. 10 each	10,000.00	10,000.00	10,000.00
	<b>10,000.00</b>	<b>10,000.00</b>	<b>10,000.00</b>



# INDOWIND ENERGY LIMITED

CIN - L40108TN1995PLC032311

Notes to Financial Statements for the year ended March 31, 2018  
(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

	As at 31 March, 2018	As at 31 March, 2017	As at 1 April, 2016
<b>Issued Share Capital</b>			
89741486 Equity shares of Rs. 10 each	8,974.15	8,974.15	8,974.15
	<b>8,974.15</b>	<b>8,974.15</b>	<b>8,974.15</b>
<b>Subscribed and fully paid up share capital</b>			
89741486 Equity shares of Rs. 10 each	8,974.15	8,974.15	8,974.15
	<b>8,974.15</b>	<b>8,974.15</b>	<b>8,974.15</b>

**Notes:**

**(a) Reconciliation of number of equity shares subscribed**

Balance as at the beginning of the year	89,741,486	89,741,486	89,741,486
Add: Issued during the year	-	-	-
<b>Balance at the end of the year</b>	<b>89,741,486</b>	<b>89,741,486</b>	<b>89,741,486</b>

**(b) Shares issued for consideration other than cash**

There are no shares which have been issued for consideration other than cash during the last 5 years.

**(c) Shareholders holding more than 5% of the total share capital**

Name of the share holder	March 31, 2018		March 31, 2017		April 1, 2016	
	No of shares	%	No of shares	%	No of shares	%
Bala K V	5437495	6.06	5437495	6.06	5437495	6.06
Loyal Credit and Investments Ltd	8125448	9.05	8125448	9.05	8125448	9.05
Indus Finance Ltd	6421765	7.16	6421765	7.16	6421765	7.16
Indeco Ventures Limited	-	-	-	-	6145653	6.85
Soura Capital Pvt. Ltd	18157751	20.23	15635927	17.42	10486153	11.68

**(d) Rights, preferences and restrictions in respect of equity shares issued by the Company**

The company has only one class of equity shares having a par value of Rs.10 each. The equity shares of the company having par value of Rs.10/- rank pari-passu in all respects including voting rights and entitlement to dividend.

**16 Other Equity**

General reserve	(1310.98)	787.44	986.06
Other comprehensive income	-	-	-
Minority Interest	-	-	31.01
Retained earnings	-	-	-
Securities Premium Reserve	7,125.64	7,125.64	7,125.64
Capital Reserve	190.90	190.90	190.90
FCCB Equity Portion	6,215.90	6,215.90	6,215.90
<b>Total</b>	<b>12,221.46</b>	<b>14,319.88</b>	<b>14,549.50</b>



## INDOWIND ENERGY LIMITED

CIN - L40108TN1995PLC032311

Notes to Financial Statements for the year ended March 31, 2018  
(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

	As at 31 March, 2018	As at 31 March, 2017	As at 1 April, 2016
<b>a) General reserve</b>			
Balance at the beginning of the year	787.44	986.06	1,005.13
Additions/ (deductions) during the year	(2,098.43)	(198.61)	(19.07)
Balance at the end of the year	<b>(1,310.98)</b>	<b>787.44</b>	<b>986.06</b>
<b>b) Other comprehensive income</b>			
Balance at the beginning of the year			
Other comprehensive income for the period	-	-	-
Deductions/Adjustments during the year	-	-	-
Balance at the end of the year	-	-	-
<b>c) Retained earnings</b>			
Balance at the beginning of the year			
Net profit for the period	(2,098.43)	(198.61)	
Transfers to General Reserve	2,098.43	198.61	19.07
Ind AS adjustments	-	-	(19.07)
Balance at the end of the year	-	-	-
<b>d) Securities Premium Reserve</b>			
Balance as at beginning and end of the year	7,125.64	7,125.64	7,125.64
<b>e) Capital Reserve</b>			
Balance as at beginning and end of the year	190.90	190.90	190.90
<b>f) FCCB - Equity Portion</b>			
Balance at the beginning of the year	6,215.90	6,215.90	-
Additions during the year	-	-	6,215.90
Deductions/Adjustments during the year	-	-	-
Balance at the end of the year	<b>6,215.90</b>	<b>6,215.90</b>	<b>6,215.90</b>
<b>17 Long Term Borrowings</b>			
From Banks	7,749.73	8,012.15	8,322.92
From Other Financial Institutions	2,206.57	2,341.08	1,658.14
	<b>9,956.30</b>	<b>10,353.23</b>	<b>9,981.06</b>
Less: Current Maturities	902.50	353.23	715.00
	<b>9,053.80</b>	<b>10,000.00</b>	<b>9,266.06</b>
<b>18 Provisions (Non -current)</b>			
Provision	-	-	-
	-	-	-



## INDOWIND ENERGY LIMITED

CIN - L40108TN1995PLC032311

Notes to Financial Statements for the year ended March 31, 2018  
(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

	As at 31 March, 2018	As at 31 March, 2017	As at 1 April, 2016
<b>19 Deferred Tax Liability/ (Asset) - Net</b>			
<b>Deferred Tax Liability</b>	-		
On depreciation	-	421.16	656.72
Tax effect on items constituting deferred tax asset	-	(152.39)	(58.08)
Prior period adjustment	-	-	(177.48)
Others	2.87	-	-
<b>Gross Deferred tax liability</b>	<b>2.87</b>	<b>268.77</b>	<b>421.16</b>
<b>Deferred Tax Asset</b>			
On expenditure allowed for tax on accrual basis	-	-	-
Others	268.77	268.77	268.77
On carry forward losses on unabsorbed depreciation	-	-	-
<b>Gross Deferred tax asset</b>	<b>268.77</b>	<b>268.77</b>	<b>268.77</b>
Net deferred tax liability/ (asset)	(265.90)	-	152.39
<b>Total</b>	<b>(265.90)</b>	<b>-</b>	<b>152.39</b>
<b>20 Trade payables</b>			
Trade payables **	131.12	79.97	233.03
<b>Total</b>	<b>131.12</b>	<b>79.97</b>	<b>233.03</b>
** Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the management represents the principal amount payable to these enterprises. There are no interest due and outstanding as at the reporting date. Please refer note 38.			
<b>21 Other current liabilities</b>			
Current maturities of long term debt	902.50	353.23	715.00
Statutory Dues Payable	6.04	6.88	7.99
Interest accrued but not due	-	110.49	237.82
Short - term borrowings	18.00	-	-
	<b>926.53</b>	<b>470.60</b>	<b>960.61</b>
<b>22 Provisions (Current)</b>			
Provision for Income Tax (net of advance tax)	-	2.55	3.42
	<b>-</b>	<b>2.55</b>	<b>3.42</b>





## INDOWIND ENERGY LIMITED

CIN - L40108TN1995PLC032311

Notes to Financial Statements for the year ended March 31, 2018  
(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

	For the year ended March 31, 2018	For the year ended March 31, 2017
<b>23 Revenue from operations</b>		
Sale of Products		
Power	2,615.65	2,602.20
	<u>2,615.65</u>	<u>2,602.20</u>
<b>24 Other income</b>		
Interest Income	-	-
Interest from Banks on Deposits	29.98	41.57
Interest Income - Associates	147.51	135.70
Interest Income - Others	15.35	-
Dividend Income	0.13	(0.17)
Other Non Operating Income		
Keyman Insurance Bonus	31.00	14.00
Others	447.44	0.60
Profit on sale of Fixed Assets	-	45.00
	<u>671.39</u>	<u>236.70</u>
<b>25 Cost of materials consumed</b>		
Direct Cost incurred at Power Generation Site	729.55	695.26
	<u>729.55</u>	<u>695.26</u>
<b>26 Changes in inventories of work-in-progress, stock in trade and finished goods</b>		
<b>Opening Balance</b>		
Work in Progress	-	257.95
Energy Stock	142.98	24.54
	<u>142.98</u>	<u>282.49</u>
<b>Closing Balance</b>		
Work in Progress	-	-
Transfers from Projects/Purchase Returns	-	257.95
Energy Stock	14.17	142.98
	<u>14.17</u>	<u>400.93</u>
<b>Total changes in inventories</b>	<u>(128.81)</u>	<u>118.44</u>
<b>27 Employee benefits expense</b>		
Salaries and wages	189.98	179.75
Contribution to Provident and other funds	14.43	17.17
Staff Welfare Expenses	7.07	10.93
Employee Medclaim Expenses	11.33	10.90
	<u>222.82</u>	<u>218.75</u>



## INDOWIND ENERGY LIMITED

CIN - L40108TN1995PLC032311

Notes to Financial Statements for the year ended March 31, 2018  
(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

	For the year ended March 31, 2018	For the year ended March 31, 2017
<b>28 Finance Cost</b>		
Interest Expenses		
On Borrowings	766.42	670.02
	<b>766.42</b>	<b>670.02</b>
<b>29 Depreciation and amortisation expense</b>		
Depreciation of property, plant and equipment	949.99	1,367.23
	<b>949.99</b>	<b>1,367.23</b>
<b>30 Other expenses</b>		
Power and Fuel	9.87	10.02
Advertisement	2.01	5.42
Repairs and Maintenance -Buildings	20.42	18.25
Repairs and Maintenance -Vehicles	2.88	6.51
Insurance	5.03	6.82
Rates and taxes	33.04	28.33
Communication	4.41	5.97
Travelling and Conveyance	53.18	44.72
Printing and Stationery	4.24	5.61
Business Promotion	14.41	7.82
AGM/EGM Expenses	18.81	23.11
Legal and Professional	125.63	59.70
Bank Charges	0.32	0.84
Books and periodicals	0.21	0.54
Sitting fees	5.74	3.23
Payments to auditors	6.82	11.42
Rupee fluctuations loss	19.83	-
Compensation	-	28.01
Miscellaneous Expenses	137.56	87.87
	<b>464.39</b>	<b>354.19</b>
<b>Payment to auditors</b>		
Statutory Audit Fees	4.40	3.50
Tax Audit Fees	1.00	1.50
For Taxation Matters	0.50	-
For Certification / Representation Matters	0.92	6.42
	<b>6.82</b>	<b>11.42</b>
<b>31 Exceptional items</b>		
Impairment of Plant & Machinery	2,389.89	-
<b>Total</b>	<b>2,389.89</b>	<b>-</b>



## INDOWIND ENERGY LIMITED

CIN - L40108TN1995PLC032311

Notes to Financial Statements for the year ended March 31, 2018  
(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

	For the year ended March 31, 2018	For the year ended March 31, 2017
<b>32 Income tax expense</b>		
<b>(a) Income tax expense</b>		
<b>Current tax</b>		
Current tax on profits	0.51	2.90
<b>Total current tax expense</b>	<b>0.51</b>	<b>2.90</b>
<b>Deferred tax</b>		
Opening Balance	265.89	-
Deferred tax adjustments	-	(152.39)
<b>Total deferred tax expense/(benefit)</b>	<b>265.89</b>	<b>(152.39)</b>
<b>Income tax expense</b>	<b>266.40</b>	<b>(149.49)</b>
<b>b) The income tax expense for the year can be reconciled to the accounting profit as follows:</b>		
Profit before tax from continuing operations	(2,364.83)	(348.10)
Income tax expense calculated at 30.9% (2016-17: 30.9%)	(730.73)	(107.56)
Tax Rate Changes (30.9%-30.9%) *	-	-
Effect of expenses that are not deductible in determining taxable profit	730.22	110.46
<b>Income tax expense</b>	<b>(0.51)</b>	<b>2.90</b>

The Impact is due to the difference in tax rate adopted for the current year deferred tax and previous year deferred tax

**c) Income tax recognised in other comprehensive income**

**Deferred tax**

Remeasurement of defined benefit obligation - -

**Total income tax recognised in other comprehensive income** - -

**d) Movement of deferred tax expense during the year ended March 31, 2018**

Deferred tax (liabilities)/assets in relation to:	Opening balance	Recognised in profit or loss	Recognised in Other comprehensive income	Closing balance
Property, plant, and equipment and Intangible Assets	(421.16)	-	-	(421.16)
Expenses allowable on payment basis under the Income Tax Act	-	-	-	-
Remeasurement of financial instruments under Ind AS	-	-	-	-
Other temporary differences	421.16	-	-	421.16
MAT Credit entitlement	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>



## INDOWIND ENERGY LIMITED

CIN - L40108TN1995PLC032311

Notes to Financial Statements for the year ended March 31, 2018  
(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

### e) Movement of deferred tax expense during the year ended March 31, 2017

Deferred tax (liabilities)/assets in relation to:	Opening balance	Recognised in profit or loss	Recognised in Other comprehensive income	Closing balance
Property, plant, and equipment and Intangible Assets	(656.72)	235.56	-	(421.16)
Expenses allowable on payment basis under the Income Tax Act	58.08	(58.08)	-	-
Other temporary differences	446.25	(25.09)	-	421.16
	<b>(152.39)</b>	<b>152.39</b>	-	-
MAT Credit entitlement	-	-	-	-
<b>Total</b>	<b>(152.39)</b>	<b>152.39</b>	-	-

For the year ended March 31, 2018      For the year ended March 31, 2017

### 33 Earnings per share

Profit for the year attributable to owners of the Company	(2,098.43)	(198.61)
Weighted average number of ordinary shares outstanding	89,741,486	89,741,486
Basic earnings per share (Rs)	(23.38)	(2.21)
Diluted earnings per share (Rs)	(23.38)	(2.21)

### 34 Earnings in foreign currency

FOB value of exports		
Anti dumping duty refund (net of payments)	-	-

### 35 Expenditure in foreign currency

Interest payment	565.01	619.64
Principal Repayment against EXIM Bank Borrowing	213.35	117.24
	<b>778.35</b>	<b>736.88</b>

### 36 Value of Imports (on C.I.F basis)

Consumables and Stores	-	-
Capital goods and Spares	-	-

### 37 Value of imported and indigenous Raw materials, Packing materials consumed and Consumable Spares during the financial year and the percentage of each to the total consumption

	For the year ended March 31, 2018		For the year ended March 31, 2017	
	Value	Percentage (%)	Value	Percentage (%)
Imported	-	-	-	-
Indigenous	-	-	-	-
	-	-	-	-



## INDOWIND ENERGY LIMITED

CIN - L40108TN1995PLC032311

Notes to Financial Statements for the year ended March 31, 2018  
(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

### 38 Disclosures required by the Micro, Small and Medium Enterprises Development (MSMED) Act, 2006 are as under

- (a) The principal amount remaining unpaid at
- (b) The delayed payments of principal
- (c) Interest actually paid under Section 16 of
- (d) Normal Interest due and payable during the year,  
for all the delayed payments, as per the agreed terms
- (e) Total interest accrued during the year and

\*This information has been determined to the extent such parties have been identified on the basis of information available with the Company.

### 39 Commitments and contingent liability

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
<b>Contingent Liability</b>		
Income Tax	124.50	27.00
Service Tax	218.00	218.00
VAT	46.40	46.40
Project Customers	928.16	-
Others	797.66	766.66
	<b>2,114.72</b>	<b>1,058.06</b>
<b>Contingent Asset</b>		
Dues from Banks	1,361.00	1,205.00
Dues from Utilities	651.00	582.00
Dues from Vendors	2,950.00	2,500.00
Dues from Vendors for non deliveries	785.00	785.00
	<b>5,747.00</b>	<b>5,072.00</b>
<b>Excess of Contingent Asset over Contigent Liability</b>	<b>3,632.28</b>	<b>4,013.94</b>
<b>Capital Commitments</b>		
Estimated amount of investments remaining to be executed on capital account and not provided for Tangible assets	-	-

### 40 Operating Segments

The company is engaged in the business of "Power Generation, Project sale and others which include finance" and therefore, has reported under each reportable segment as per Ind AS 108 "Operating Segments"

#### Information relating to geographical areas

##### (a) Revenue from external customers

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
India	3,287.04	2,838.90
United States of America	-	-
Other Countries	-	-
<b>Total</b>	<b>3,287.04</b>	<b>2,838.90</b>



## INDOWIND ENERGY LIMITED

CIN - L40108TN1995PLC032311

Notes to Financial Statements for the year ended March 31, 2018  
(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

### (b) Non current assets

The manufacturing facilities of the Company is situated in India and no non-current assets are held outside India

### (c) Information about major customers

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Number of external customers each contributing more than 10% of total revenue	Nil	Nil
Total revenue from the above	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

### 41 Operating lease arrangements

The Company has entered into operating lease arrangements for certain facilities. The leases are cancellable at the option of either party to lease and may be renewed based on mutual agreement of the parties. Lease payments recognised in the Statement of Profit and Loss is Rs.7.20 Lakhs (Previous year Rs. 7.20 Lakhs)

### 42 Details of Long Term Borrowings

	March 31, 2018			March 31, 2017		
	Non Current	Current maturities	Total	Non Current	Current maturities	Total
Banks	7,110.39	639.34	7,749.73	7,863.72	148.43	8,012.15
NBFC/FIs	1,943.41	263.16	2,206.57	2,136.28	204.80	2,341.08

### Details of terms of repayment for the other long term borrowings and security provided in respect of the secured other long term borrowings

#### 1. Term loan from banks: Export Import Bank of India

The bank has released only USD 12.570 Mn as against total sanction limit of USD 25 Mn. 8 Mw Project assets are pledged against the part release. Loyal Credit and Investments Limited who have pledged 40 Lakhs shares of Indowind Energy Limited for enabling release of entire sanctioned amount has filed claim for release of shares. Company is negotiating for release of either balance of funds or shares and also reversal of USD. 1,85,278.00 claimed by bank as penalty

#### 2. Term loans from other parties

##### i) Indian Renewable Energy Development Agency Limited

Secured against 6 WEGs of 1.5 Mw each situated in the state of Karnataka

##### ii) LIC of India

Secured against the key man policy and repayable on maturity / surrender of Policy



## INDOWIND ENERGY LIMITED

CIN - L40108TN1995PLC032311

Notes to Financial Statements for the year ended March 31, 2018  
(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

### 43 Financial Instruments

#### Capital management

The Company manages its capital to ensure that entities in the Company will be able to continue as going concern, while maximising the return to stakeholders through the optimisation of the debt and equity balance.

The Company determines the amount of capital required on the basis of annual operating plans and long-term product and other strategic investment plans. The funding requirements are met through equity, long-term borrowings and other short-term borrowings.

For the purposes of the Company's capital management, capital includes issued capital, share premium and all other equity reserves attributable to the equity holders.

<b>Gearing Ratio:</b>	<b>March 31, 2018</b>	<b>March 31, 2017</b>	<b>April 1, 2016</b>
Debt	9,053.80	10,000.00	9,266.06
Less: Cash and bank balances	702.54	922.16	472.31
Net debt	8,351.26	9,077.84	8,793.75
Total equity	21,262.88	23,363.36	23,523.65
Net debt to equity ratio (%)	39.28%	38.86%	37.38%

<b>Categories of Financial Instruments</b>	<b>March 31, 2018</b>	<b>March 31, 2017</b>	<b>April 1, 2016</b>
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#### Financial assets

##### a. Measured at amortised cost

Loans Given	-	-	-
Other non-current financial assets	431.57	894.77	753.99
Trade receivables	603.39	635.50	468.07
Cash and cash equivalents	66.59	162.74	98.36
Bank balances other than above	635.95	759.42	373.95
Other financial assets	-	-	-

##### b. Mandatorily measured at fair value through profit or loss (FVTPL)

Investments	1,045.75	1,014.75	1,000.92
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#### Financial liabilities

##### a. Measured at amortised cost

Borrowings (short term)	-	-	-
Trade payables	131.12	79.97	233.03

##### b. Mandatorily measured at fair value through profit or loss (FVTPL)

Derivative instruments	-	-	-
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## INDOWIND ENERGY LIMITED

CIN - L40108TN1995PLC032311

Notes to Financial Statements for the year ended March 31, 2018  
(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

### Financial risk management objectives

The treasury function provides services to the business, co-ordinates access to domestic and international financial markets, monitors and manages the financial risks relating to the operations through internal risk reports which analyse exposures by degree and magnitude of risks. These risks include market risk (including currency risk, interest rate risk and other price risk), credit risk and liquidity risk.

The Company seeks to minimise the effects of these risks by using natural hedging financial instruments and forward contracts to hedge risk exposures. The use of financial derivatives is governed by the Company's policies approved by the board of directors, which provide written principles on foreign exchange risk, the use of financial derivatives, and the investment of excess liquidity. The Company does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

### Market risk

Market risk is the risk of any loss in future earnings, in realizable fair values or in future cash flows that may result from a change in the price of a financial instrument. The Company's activities expose it primarily to the financial risks of changes in foreign currency exchange rates and interest rates. The Company actively manages its currency and interest rate exposures through its finance division and uses derivative instruments such as forward contracts and currency swaps, wherever required, to mitigate the risks from such exposures. The use of derivative instruments is subject to limits and regular monitoring by appropriate levels of management.

### Foreign currency risk management

The Company undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise. The Company actively manages its currency rate exposures through a centralised treasury division and uses natural hedging principles to mitigate the risks from such exposures. The use of derivative instruments, if any, is subject to limits and regular monitoring by appropriate levels of management.

The carrying amounts of the Company's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows:

### As on March 31, 2018 (all amounts are in equivalent Rs. in lakhs)

Currency	Liabilities			Assets			Net overall exposure on the currency - net assets / (net liabilities)
	Gross exposure	Exposure hedged using derivatives	Net liability exposure on the currency	Gross exposure	Exposure hedged using derivatives	Net asset exposure on the currency	
USD	119.15	-	119.15	-	-	-	-119.15
EUR	-	-	-	-	-	-	-
In INR	-	-	-	-	-	-	-





## INDOWIND ENERGY LIMITED

CIN - L40108TN1995PLC032311

Notes to Financial Statements for the year ended March 31, 2018  
(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

As on March 31, 2017 (all amounts are in equivalent Rs. in lakhs)

Currency	Liabilities			Assets			Net overall exposure on the currency - net assets / (net liabilities)
	Gross exposure	Exposure hedged using derivatives	Net liability exposure on the currency	Gross exposure	Exposure hedged using derivatives	Net asset exposure on the currency	
USD	122.49	-	122.49	-	-	-	(122.49)
EUR	-	-	-	-	-	-	-
in INR	-	-	-	-	-	-	-

As on April 1, 2016 (all amounts are in equivalent Rs. in lakhs)

Currency	Liabilities			Assets			Net overall exposure on the currency - net assets / (net liabilities)
	Gross exposure	Exposure hedged using derivatives	Net liability exposure on the currency	Gross exposure	Exposure hedged using derivatives	Net asset exposure on the currency	
USD	125.47	-	125.47	-	-	-	(125.47)
EUR	-	-	-	-	-	-	-
in INR	-	-	-	-	-	-	-

### Foreign currency sensitivity analysis

Movement in the functional currencies of the various operations of the Company against major foreign currencies may impact the Company's revenues from its operations. Any weakening of the functional currency may impact the Company's cost of imports and cost of borrowings and consequently may increase the cost of financing the Company's capital expenditures. The foreign exchange rate sensitivity is calculated for each currency by aggregation of the net foreign exchange rate exposure of a currency and a simultaneous parallel foreign exchange rates shift in the foreign exchange rates of each currency by 2%, which represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 2% change in foreign currency rates.

In management's opinion, the sensitivity analysis is unrepresentative of the inherent foreign exchange risk because the exposure at the end of the reporting period does not reflect the exposure during the year.

### Interest rate risk management

The Company is exposed to interest rate risk because it borrow funds at both fixed and floating interest rates. The risk is managed by the Company by maintaining an appropriate mix between fixed and floating rate borrowings and by the use of interest rate swap contracts. Hedging activities are evaluated regularly to align with interest rate views and defined risk appetite, ensuring the most cost-effective hedging strategies are applied. Further, in appropriate cases, the Company also effects changes in the borrowing arrangements to convert floating interest rates to fixed interest rates.



## INDOWIND ENERGY LIMITED

CIN - L40108TN1995PLC032311

Notes to Financial Statements for the year ended March 31, 2018  
(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

### Interest rate sensitivity analysis

The sensitivity analyses below have been determined based on the exposure to interest rates for both derivatives and non-derivative instruments at the end of the reporting period. For floating rate liabilities, the analysis is prepared assuming the amount of the liability outstanding at the end of the reporting period was outstanding for the whole year. A 25 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

The 25 basis point interest rate changes will impact the profitability by INR 24.95 Lakhs for the year (Previous INR 25.89 Lakhs)

### Credit risk management

Credit risk arises when a customer or counterparty does not meet its obligations under a customer contract or financial instrument, leading to a financial loss. The Company is exposed to credit risk from its operating activities primarily trade receivables and from its financing/ investing activities, including deposits with banks and foreign exchange transactions. The Company has no significant concentration of credit risk with any counter party.

### Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure is the total of the carrying amount of balances with banks, short term deposits with banks, trade receivables, margin money and other financial assets excluding equity investments.

#### (a) Trade Receivables

Trade receivables are consisting of a large number of customers. The Company has credit evaluation policy for each customer and, based on the evaluation, credit limit of each customer is defined. Wherever the Company assesses the credit risk as high, the exposure is backed by either bank, guarantee/letter of credit or security deposits.

The Company does not have higher concentration of credit risks to a single customer. As per simplified approach, the Company makes provision of expected credit losses on trade receivables using a provision matrix to mitigate the risk of default in payments and makes appropriate provision at each reporting date wherever outstanding is for longer period and involves higher risk.

#### (b) Investments, Derivative Instruments, Cash and Cash Equivalents and Bank deposits

Credit Risk on cash and cash equivalents, deposits with the banks/financial institutions is generally low as the said deposits have been made with the banks/financial institutions, who have been assigned high credit rating by international and domestic rating agencies.

Credit Risk on Derivative Instruments is generally low as the Company enters into the Derivative Contracts with the reputed Banks.

### Offsetting related disclosures

Offsetting of cash and cash equivalents to borrowings as per the consortium agreement is available only to the bank in the event of a default. Company does not have the right to offset in case of the counter party's bankruptcy, therefore, these disclosures are not required.

**INDOWIND ENERGY LIMITED**

CIN - L40108TN1995PLC032311

Notes to Financial Statements for the year ended March 31, 2018  
(All amounts are in lakhs of Indian Rupees, unless otherwise stated)**Liquidity risk management**

Liquidity risk refers to the risk that the Company cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements. The Company invests its surplus funds in bank fixed deposit, which carry minimal mark to market risks. The Company also constantly monitors funding options available in the debt and capital markets with a view to maintaining financial flexibility.

**Liquidity tables**

The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay.

<b>March 31, 2018</b>	<b>Due in 1<sup>st</sup> year</b>	<b>Due in 2<sup>nd</sup> to 5<sup>th</sup> year</b>	<b>Due after 5<sup>th</sup> year</b>	<b>Carrying amount</b>
Trade payables	131.12	-	-	131.12
Other financial liabilities	-	-	-	-
Borrowings (including interest accrued thereon upto the reporting date)	902.50	3,610.00	5,443.80	9,956.30
	<b>1,033.62</b>	<b>3,610.00</b>	<b>5,443.80</b>	<b>10,087.42</b>

<b>March 31, 2017</b>	<b>Due in 1<sup>st</sup> year</b>	<b>Due in 2<sup>nd</sup> to 5<sup>th</sup> year</b>	<b>Due after 5<sup>th</sup> year</b>	<b>Carrying amount</b>
Trade payables	79.97	-	-	79.97
Other financial liabilities	-	-	-	-
Borrowings (including interest accrued thereon upto the reporting date)	353.23	1,412.92	8,587.08	10,353.23
	<b>433.20</b>	<b>1,412.92</b>	<b>8,587.08</b>	<b>10,433.20</b>

<b>April 1, 2016</b>	<b>Due in 1<sup>st</sup> year</b>	<b>Due in 2<sup>nd</sup> to 5<sup>th</sup> year</b>	<b>Due after 5<sup>th</sup> year</b>	<b>Carrying amount</b>
Trade payables	233.03	-	-	233.03
Other financial liabilities	-	-	-	-
Borrowings (including interest accrued thereon upto the reporting date)	715.00	2,860.00	6,406.06	9,981.06
	<b>948.03</b>	<b>2,860.00</b>	<b>6,406.06</b>	<b>10,214.09</b>

	<b>March 31, 2018</b>	<b>March 31, 2017</b>	<b>April 1, 2016</b>
Fair value of financial assets and financial liabilities that are not measured at fair value (but fair value disclosures are required):	Nil	Nil	Nil



## INDOWIND ENERGY LIMITED

CIN - L40108TN1995PLC032311

Notes to Financial Statements for the year ended March 31, 2018  
(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

#### 44 Related party disclosure

##### a) List of parties having significant influence

<b>Holding company</b>	The Company does not have any holding company
<b>Entities in which directors are interested</b>	Indowind Power Private Limited
<b>Associate Companies</b>	Indus Finance Limited Ind Eco Ventures Limited Indonet Global Limited Indus Nutri Power Private Limited Loyal Credit and Investments Limited Indus Capital Private Limited Everon Power Limited Bekae Properties Private Limited Soura Capital Private limited Bvk Agri Producer Company Ltd Kishore Electro Infra Private Limited

##### Key management personnel

Bala V Kutti	Chairman
K S Ravindranath	Whole Time Director
Harsha J	Company Secretary

##### b) Transactions during the year

Nature of Transactions	2017-18	2016-17
Subsidiary		
Power Share Income	1,231.32	1,322.32
Investments	68.26	65.66
Companies where key managerial personnel has significant influence		
Power Share Income	116.54	98.61
Interest Income	147.51	135.70
Investments	240.00	240.00
Directors		
Travelling Expense	28.20	13.25
Sitting Fees	4.98	2.78

##### c) Balance at the end of the year

Companies where Key Managerial Person have significant influence	Balances Outstanding at end of the year	
	2017-18	2016-17
<b>Companies where Key Managerial Person have significant influence-Accruals Payments</b>		
Capital Advances - Acquisition of 6Mw Wind Project	3,806.16	3,916.25
Capital Advances/Guarantee Deposits- Secured	1,002.45	1,697.02
Other Current Assets		
Long Term Trade Advances	418.00	73.95
Capital WIP	688.63	709.97
Subsidiary		
Long Term Trade Advances	528.81	528.81
<b>Companies where Key Managerial Person have significant influence-Accruals Payments</b>		
Trade/Other Payables	-	1.50



## INDOWIND ENERGY LIMITED

CIN - L40108TN1995PLC032311

Notes to Financial Statements for the year ended March 31, 2018  
(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

### 45 Retirement benefit plans

#### Defined contribution plans

In accordance with Indian law, eligible employees of the Company are entitled to receive benefits in respect of provident fund, a defined contribution plan, in which both employees and the Company make monthly contributions at a specified percentage of the covered employees' salary. The contributions, as specified under the law, are made to the Provident Fund.

The total expense recognised in profit or loss of Rs. 10.51 Lakhs (for the year ended March 31, 2017: Rs. 10.29 Lakhs) represents contribution paid to these plans by the Company at rates specified in the rules of the plan.

#### Defined benefit plans

##### (a) Gratuity

Gratuity is payable as per Payment of Gratuity Act, 1972. In terms of the same, gratuity is computed by multiplying last drawn salary (basic salary including dearness Allowance if any) by completed years of continuous service with part thereof in excess of six months and again by 15/26. The Act provides for a vesting period of 5 years for withdrawal and retirement and a monetary ceiling on gratuity payable to an employee on separation, as may be prescribed under the Payment of Gratuity Act, 1972, from time to time. However, in cases where an enterprise has more favourable terms in this regard the same has been adopted.

These plans typically expose the Company to actuarial risks such as: investment risk, interest rate risk and salary risk.

Investment risk	The present value of the defined benefit plan liability is calculated using a discount rate determined by reference to the market yields on government bonds denominated in Indian Rupees. If the actual return on plan asset is below this rate, it will create a plan deficit.
Interest risk	A decrease in the bond interest rate will increase the plan liability. However, this will be partially offset by an increase in the return on the plan's debt investments.
Longevity risk	The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.
Salary risk	The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

The principal assumptions used for the purposes of the actuarial valuations were as follows:

Particulars	March 31, 2018	March 31, 2017
Discount Rate	8.00% p.a.	8.00% p.a.
Rate of increase in compensation level	7.00% p.a.	7.00% p.a.



## INDOWIND ENERGY LIMITED

CIN - L40108TN1995PLC032311

Notes to Financial Statements for the year ended March 31, 2018  
(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

<b>Amounts recognised in total comprehensive income in respect of these defined benefit plans are as follows:</b>	<b>March 31, 2018</b>	<b>March 31, 2017</b>
	Rs. Lakhs	Rs. Lakhs
Current service cost	244,535	232,758
Net interest expense	329,402	292,179
Return on plan assets (excluding amounts included in net interest expense)	-	-
	<b>573,937</b>	<b>524,937</b>
Components of defined benefit costs recognised in profit or loss		
Remeasurement on the net defined benefit liability comprising:		
Actuarial (gains)/losses recognised during the period	-	-
Actuarial (gains)/losses recognised during the period	-	-
Components of defined benefit costs recognised in other comprehensive income	-	-
	<b>573,937</b>	<b>524,937</b>

- The current service cost and the net interest expense for the year are included in the 'employee benefits expense' in profit or loss.
- The remeasurement of the net defined benefit liability is included in other comprehensive income.

**The amount included in the balance sheet arising from the Company's obligation in respect of its defined benefit plans is as follows:**

Present value of defined benefit obligation	4,532,790	4,112,176
Fair value of plan assets	(4,440,892)	(4,035,567)
Net liability/ (asset) arising from defined benefit obligation	<b>91,898</b>	<b>76,609</b>
Funded	91,898	76,609
Unfunded	-	-
	<b>91,898</b>	<b>76,609</b>

The above provisions are reflected under 'Provision for employee benefits- gratuity' (long-term provisions). Excess of fair value of plan assets over present value of obligation is reflected under 'Prepaid expenses- gratuity' (other current assets)

**Movements in the present value of the defined benefit obligation in the current year were as follows:**

Opening defined benefit obligation	3,958,853	3,587,239
Current service cost	244,535	232,758
Interest cost	329,402	292,179
Actuarial (gains)/losses	-	-
Benefits paid	-	-
<b>Closing defined benefit obligation</b>	<b>4,532,790</b>	<b>4,112,176</b>



## INDOWIND ENERGY LIMITED

CIN - L40108TN1995PLC032311

Notes to Financial Statements for the year ended March 31, 2018  
(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

### Movements in the fair value of the plan assets in the current year were as follows:

Opening fair value of plan assets	4,035,567	3,291,084
Acquisition Adjustment	-	-
Interest Income	329,402	292,179
Return on plan assets	-	-
Contributions	75,924	452,304
Benefits paid	-	-
Closing fair value of plan assets	<u>4,440,892</u>	<u>4,035,567</u>

In view of the fact that the Company for preparing the sensitivity analysis considers the present value of the defined benefit obligation which has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognised in the balance sheet.

### 46 First-time adoption of Ind AS

#### Transition to Ind AS

These are the Company's first financial statements prepared in accordance with Ind AS.

The accounting policies set out in Note 3 have been applied in preparing the financial statements for the year ended March 31, 2018, the comparative information presented in these financial statements for the year ended March 31, 2017 and in the preparation of an opening Ind AS balance sheet at April 1, 2016 (The company's date of transition).

In preparing its opening Ind AS balance sheet, the company has adjusted the amounts reported previously in financial statements prepared in accordance with the accounting standards generally applicable to the Company (as amended from time to time) and other relevant provisions of the Act (previous GAAP or Indian GAAP).

An explanation of how the transition from previous GAAP to Ind AS has affected The company's financial position, financial performance and cash flows is set out in the following tables and notes.

#### A. Exemptions and exceptions availed

Set out below are the applicable Ind AS 101 optional exemptions and mandatory exceptions applied in the transition from previous GAAP to Ind AS.

##### A.1 Ind AS optional exemptions

###### A.1.1 Deemed cost for Property, Plant and Equipment

Ind AS 101 permits a first-time adopter to elect to fair value a class of property, plant and equipment or to continue with the carrying value for all of its PPE as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition after making necessary adjustments for de-commissioning liabilities.

Accordingly, the company has elected to fair value its land as on the date of transition and continue to measure other classes of property, plant and equipment at their previous GAAP values.

###### A.1.2 Designation of previously recognised financial instruments

Ind AS 101 allows an entity to designate investments in equity instruments at FVOCI or FVTPL on the basis of the facts and circumstances at the date of transition to Ind AS. The company has elected to apply this exemption for its investment in equity investments.



## INDOWIND ENERGY LIMITED

CIN - L40108TN1995PLC032311

Notes to Financial Statements for the year ended March 31, 2018  
(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

### **A.2 Ind AS mandatory exceptions**

#### **A.2.1 Estimates**

An entity's estimates in accordance with Ind ASs at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error.

Ind AS estimates as at April 1, 2016 are consistent with the estimates as at the same date made in conformity with previous GAAP. The company made estimates for impairment of financial assets based on expected credit loss model in accordance with Ind AS at the date of transition as these were not required under previous GAAP:

### **B. Notes to first-time adoption**

#### **B.1 Fair valuation of land as deemed cost**

Ind AS 101 permits a first-time adopter to elect to fair value a class of property, plant and equipment or to continue with the carrying value for all of its PPE as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition after making necessary adjustments for de-commissioning liabilities.

The company has elected to fair value its land as on the date of transition and apply Ind AS 16 retrospectively on other classes of property, plant and equipment.

#### **B.2 Fair valuation of financial assets and liabilities**

Under Ind AS, financial assets and liabilities are to be valued at amortised cost or fair valued through profit and loss (FVTPL) or fair valued through other comprehensive income (FVTOCI) based on the Company's business objectives and the cash flow characteristics of the underlying financial assets and liabilities. The Company has remeasured the financial assets and liabilities as on the date of transition and the consequential impact has been given in the opening retained earnings.

#### **B.3 Transaction costs in respect of financial instruments**

Under the previous GAAP, transaction costs in relation to financial liabilities are charged to the profit and loss in the year in which they are incurred.

As per Ind AS 109, transaction costs in relation to financial liabilities are to be reduced from the related financial liabilities and amortised over the repayment period of the said liability. The same has been considered in the opening and comparative period financial statements.

#### **B.4 Reclassification of Foreign Currency Convertible Bonds**

Under Ind AS, if the liability portion of FCCB is not outstanding as at the transition date has to be reclassified as other equity. Accordingly, the Company has reclassified the equity portion of FCCB to other equity.

#### **B.5 Depreciation**

The company has elected to fair value its land as on the date of transition and apply Ind AS 16 retrospectively on other classes of property, plant and equipment. The consequential depreciation has been remeasured and accounted in the Ind AS financial statements.

#### **B.6 Remeasurement of post-employment benefit obligations**

Under Ind AS, remeasurements i.e. actuarial gains and losses and the return on plan assets, excluding amounts included in the net interest expense on the net defined benefit liability are recognised in other comprehensive income instead of profit or loss. Under the previous GAAP, these remeasurements were forming part of the profit or loss for the year. Adjustments have been made for such re-classifications. This has no impact on the profits/ equity as per Ind AS.





## INDOWIND ENERGY LIMITED

CIN - L40108TN1995PLC032311

Notes to Financial Statements for the year ended March 31, 2018  
(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

### B.7 Deferred tax

Under Ind AS, the deferred tax asset and liabilities are required to be accounted based on balance sheet approach. The Company is also required to remeasure the carrying amount of MAT credit entitlement as per Ind AS. Accordingly, the Company has remeasured its deferred tax assets and liabilities as aforesaid and accounted in the Ind AS financial statements.

### 47 Key reconciliation required as per Ind AS 101 on transition to Ind AS

#### (a) Reconciliation of equity

	As at March 31, 2017	As at April 1, 2016
<b>Total equity / shareholders' funds as per Indian GAAP</b>	<b>17,416.02</b>	<b>17,326.82</b>
<b>Ind AS Adjustments</b>		
Impact of fair valuation of land as deemed cost	2,581.74	2,581.73
Remeasurement of financial instruments	(2,494.64)	(2,537.96)
Impact of Amortised Cost on term Loan	140.72	166.02
Reclassification of FCCB into equity	6,215.90	6,215.90
Remeasurement of property, plant and equipment	(772.73)	(497.63)
Deferred tax impact on Ind AS adjustments	268.77	268.77
<b>Total equity/ shareholders' funds as per Ind AS</b>	<b>23,286.45</b>	<b>23,485.83</b>

#### (b) Reconciliation of Profits

	For the year ended March 31, 2017
<b>Total comprehensive income as per Indian GAAP</b>	<b>140.75</b>
<b>Ind AS Adjustments</b>	
Remesurement of financial assets and liabilities	(39.73)
Impact of Amortised Cost on term Loan	(25.30)
Remeasurement of depreciation on PPE	(275.10)
Deferred Tax Impacts	-
<b>Total comprehensive income as per Ind AS</b>	<b>(199.38)</b>

The accompanying notes form an integral part of the financial statements

As per our report of even date attached

For M/s Sanjiv Shah & Associates

Chartered Accountants

FRN: 003572S

G. Ramakrishnan

Partner

Membership No. : 209035

Place: Chennai.

Date: 8<sup>th</sup> June, 2018

for and on behalf of the Board

RAVINDRANATH K S  
Director  
DIN - 00848817

NIRANJAN R JAGTAP  
Director  
DIN - 01237606

HARSHA J  
Company Secretary

K R SHYAMSUNDAR  
Director  
DIN - 03560150



**INDOWIND ENERGY LIMITED**

CIN: L40108TN1995PLC032311

**No.114, Kothari Building, IV Floor, M.G. Road,  
Nungambakkam, Chennai 600 034.**

**Tel: 044-28330867 Fax: 044-28330208 Email: [contact@indowind.com](mailto:contact@indowind.com)**

**Website: [www.indowind.com](http://www.indowind.com)**

**ATTENDANCE SLIP**

Please fill Attendance Slip and hand it over at the Entrance of the Meeting Hall.

NAME AND ADDRESS OF THE SHAREHOLDER

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**Folio No.**

DP.ID

CLIENT ID\*

I hereby record my presence at the 23rd Annual General Meeting held on 27<sup>th</sup> September 2018, at 4.00 p.m., The Music Academy, New No.168, T.T.K. Road, Royapettah, Chennai - 600 014.

<b>SIGNATURE OF THE MEMBERS OR PROXY</b>	<b>NO. OF SHARES HELD</b>



**PROXY FORM**

[Pursuant to Section 105 (6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]



**INDOWIND ENERGY LIMITED**  
CIN: L40108TN1995PLC032311  
**No.114, Kothari Building, IV Floor, M.G. Road,  
Nungambakkam, Chennai 600 034.**

**Tel: 044-28330867 Fax: 044-28330208 Email: [contact@indowind.com](mailto:contact@indowind.com)  
Website: [www.indowind.com](http://www.indowind.com)**

Name of the member(s):

Registered address

E-mail Id:

Folio No. / Client ID: DP ID:

I / We, being the member(s) of INDOWIND ENERGY LIMITED, holding..... Equity shares of the Company, hereby appoint

1. Name: .....

Address: .....

.....

.....

Email Id: .....

Signature: .....

or failing him

2. Name: .....

Address: .....

.....

.....

Email Id: .....

Signature: .....

or failing him

3. Name: .....

Address: .....

.....

.....

Email Id: .....

Signature: .....

or failing him

As my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 23<sup>rd</sup> Annual General Meeting of the Company, to be held on Thursday 27<sup>th</sup> September 2018 at 4.00 PM at The Music Academy, New No.168, T.T.K. Road, Royapettah, Chennai - 600 014. India and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution Number	Resolution	Vote (Optional see Note 2) (Please mention no. of shares)		
		For	Against	Abstain
<b>ORDINARY BUSINESS</b>				
1	To consider and adopt the Audited Financial statement of the Company for the financial year ended 31 <sup>st</sup> March 2018 and the Report of the Board of Directors and the Auditors thereon			
2	To appoint a Director in the place of Mr. Bala V Kutti, (holding DIN- 00765036) who retires at this meeting in terms of selection 152(6) of the Companies Act 2013 and being eligible, offers himself for Re-appointment.			
3	Appointment of Auditor			
<b>SPECIAL BUSINESS</b>				
4	Re-appointment of Mr. K.S.Ravindranath, (DIN No: 00848817) as whole – time Director with remuneration			
5	Alteration of Memorandum of Association and Articles of Association as per the provisions of the Companies Act, 2013 and rules made there under			

Re 1/-  
Revenue  
Stamp

Signed this/-----/day of/-----/2018.

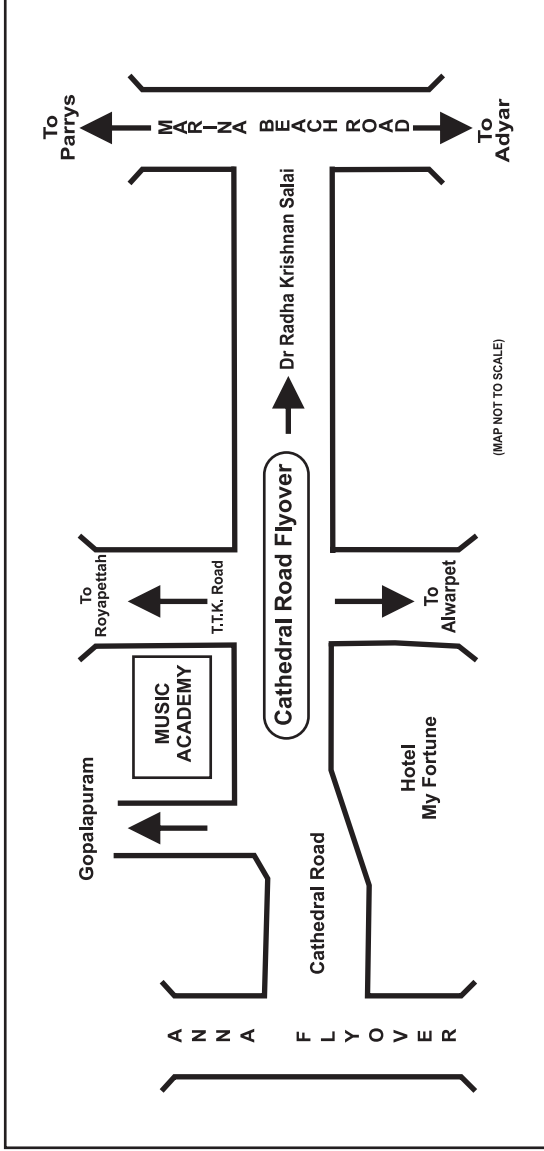
Signature of shareholder: -----

Signature of the proxy holder(s): -----

**Notes:**

1. This form of proxy in order to be effective should be duly completed and deposited at the registered office of the Company, not less than 48 hours before the commencement of the Meeting.
2. It is optional to indicate your preference. If you leave, for / against / abstain column blank against any or all resolutions, your proxy will be entitled to vote in the manner as he/she may deem appropriate.

# ROUTE MAP TO AGM VENUE





If Undelivered Please return to :



**INDOWIND ENERGY LIMITED**

"Kothari Buildings",  
4<sup>th</sup> Floor, 114, Mahatma Gandhi Road,  
Nungambakkam, Chennai - 600 034.  
Tel : 044-28330867 / 28331310