INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF
M/s CLARION WIND FARM PRIVATE LIMITED

Report on the Ind AS Financial Statements

We have audited the accompanying Ind AS financial statements of **CLARION WIND FARM PRIVATE LIMITED** ("the Company"), which comprise the Balance Sheet as at 31st March, 2018, and the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Ind AS Financial Statements

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

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

Auditor's Responsibility

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

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

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

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

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31^{st} March, 2018, and its profit, total comprehensive profit, its cash flows and the changes in equity for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit, we report that:

    a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

    b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

    c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.

    d) In our opinion, the aforesaid Ind AS financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act.

e) On the basis of the written representations received from the directors as on 31st March, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31st 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 A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:

   i. The Company did not have any pending litigations that has an impact on its financial position.
   ii. The Company did not have any long-term contracts including derivative contracts.
   iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order" / "CARO 2016") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For Raghu & Gopal
Chartered Accountants
(FRN .003335S)

A.Gopal
Partner
(Membership No.F9035)

Chennai, 30th April 2018

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

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

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

We have audited the internal financial controls over financial reporting of **CLARION WIND FARM PRIVATE LIMITED** ("the Company") as of 31st March 2018 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

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

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

Meaning of Internal Financial Controls Over Financial Reporting

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management 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, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 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 Raghu & Gopal
Chartered Accountants
(FRN. 003335S)

A.Gopal
Partner
Membership No. F9035

Chennai, 30 April, 2018

ANNEXURE "B" TO THE INDEPENDENT AUDITORS' REPORT

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

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) Some of the fixed assets were physically verified during the year by the Management in accordance with a programme of verification, which in our opinion provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanations given to us, no material discrepancies were noticed on such verification.

(c) According to the information and explanations given to us and the records examined by us and based on the examination of the registered sale deed / transfer deed provided to us, we report that, the title deeds, as made available to us, comprising all the immovable properties of land and buildings, are held in the name of the Company as at the balance sheet date. Immovable properties of land and buildings whose title deeds have been pledged as security for loans, guarantees, etc., (pledged as a security for the outstanding bank dues) are held in the name of the Company based on the confirmations directly received by us from lenders / parties.

(ii) According to the information and explanations given to us, the inventories were physically verified during the year by the Management at reasonable intervals and no material discrepancies were noticed on physical verification.

(iii) The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Companies Act, 2013.

(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 (1) of the Companies Act, 2013 in respect of grant of loans, making investments and providing guarantees and securities, as applicable.

Based on the information and explanation provided to us, provisions of Section 186 (2) of the Companies Act, 2013 is not applicable to the Company.

(v) According to the information and explanations given to us, the Company has not accepted any deposit during the year and there are no unclaimed deposits as at 31st March 2018.

(vi) The maintenance of cost records has been specified by the Central Government under section 148(1) of the Companies Act, 2013 for electricity generation for the company. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended, prescribed by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013, and are of the opinion that, *prima facie,* the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

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

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

b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, Value Added Tax, Cess and other material statutory dues in arrears as at 31st March, 2018 for a period of more than six months from the date they became payable.

c) Details of dues of Income Tax which have not been deposited as on 31 March, 2018 on account of disputes are given below:

Name of the Statute	**Nature of Dues**	**Forum where the Dispute is pending**	**Period to which the amount relates (Financial year)**	**Amount involved (Rs.)**	**Amount unpaid (Rs.)**
Nil					

(viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to banks as at 31 March 2018, except as under:

Particulars	**Amount of default of repayment (Rupees in lakhs)**		**Period of default**
	Principal	**Interest (Including Penal Interest)**	
Term Loan from Banks	118.19	143.98	Dec 17 – Mar 18
Term Loan from Financials Institutions	Nil	Nil	-

The Company has not availed any loans/ borrowings from financial institutions, government and has not issued any debentures.

(x) According to the information and explanations provided to us, the Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or term loans during the year and there were no moneys raised by way of initial public offer or further public offer (including debt instruments) or term loan in the prior years which remained unutilized as at 1 April, 2017. Accordingly, reporting under clause (ix) of the CARO 2016 Order is not applicable.

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

(xii) According to the information and explanations given to us and based on our examination of records of the company, the Company has not paid any managerial remuneration during the year hence the provisions of Clause 3 (ix) of the Companies (Auditor's Report) Order 2016 are not applicable.

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

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

(xv) During the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of CARO 2016 is not applicable to the Company.

(xvi) In our opinion and according to the information and explanations given to us, during the year, the Company has not entered into any non-cash transactions with its directors or directors of its holding, subsidiary or associate company or persons connected with them and, hence, provisions of section 192 of the Companies Act, 2013 are not applicable.

(xvii) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For Raghu & Gopal
Chartered Accountants
(FRN. 003335S)

A.Gopal
Partner
(Membership No.F9035)

Chennai, 30 April, 2018

CLARION WIND FARM PRIVATE LIMITED
CIN:U40106TN2008PTC067781
Balance Sheet as on 31 March, 2018
(All amounts are in Indian Rupees in Lakhs unless otherwise stated)

	Particulars	Note No.	As at 31-Mar-2018	As at 31-Mar-2017
	ASSETS			
1	**Non -current Assets**			
	(a) Property, Plant and Equipment	5	15,739.75	17,720.89
	(b) Financial Assets			
	(i) Investments	6	37.31	77.00
	(ii) Loans	7	9,783.86	8,523.14
	(iii) Other Financial Assets	8	1,133.66	256.43
	(c) Other Non Current Assets	9	320.88	316.68
			27,015.46	**26,894.14**
2	**Current Assets**			
	(a) Inventories	10	125.94	122.83
	(b) Financial Assets			
	(i) Trade Receivables	11	1,193.87	1,708.34
	(ii) Cash and Cash Equivalents	12	242.33	88.85
	(iii) Others	13	324.52	291.37
	(c) Other Current Assets	14	198.10	159.05
			2,084.76	**2,370.44**
			29,100.22	**29,264.58**
	EQUITY AND LIABILITIES			
1	**Equity**			
	(a) Equity Share Capital	15	3,599.46	3,599.46
	(b) Other Equity	16	(6,020.37)	(6,103.53)
			(2,420.91)	**(2,504.07)**
2	**Liabilities**			
	(I) Non-current Liabilities			
	(a) Financial Liabilities			
	(i) Borrowings	17	27,688.95	23,693.55
	(ii) Other Financial Liabilities	18	1,715.55	897.43
	(b) Provisions	19	27.37	25.49
	(c) Deferred Tax Liabilities (Net)	20	-	-
			29,431.87	**24,616.47**
	(II) Current Liabilities			
	(a) Financial Liabilities			
	(i) Borrowings	21	-	875.28
	(ii) Trade Payables	22	639.01	634.56
	(iii) Other Financial Liabilities	23	1,257.86	5,508.42
	(b) Provisions	24	3.77	5.06
	(c) Other Current Liabilities	25	188.62	128.86
			2,089.26	**7,152.18**
	TOTAL		**29,100.22**	**29,264.58**

In terms of out report attached

For and on behalf of the Board of Directors

For Raghu & Gopal
Chartered Accountants
Frn no.003335S

B.S.Sampath
Director
DIN: 07534685

K.V.Kasturi
Director
DIN:00892075

A Gopal
Partner
M.No : F 9035

K.Saminathan
Chief Financial Officer

P.Srinivasan
Company Secretary

Place: Chennai
Date: 30 April , 2018

Place: Chennai
Date: 30 April , 2018

CLARION WIND FARM PRIVATE LIMITED
CIN:U40106TN2008PTC067781
Statement of Profit and Loss for the year ended 31 March, 2018
(All amounts are in Indian Rupees in Lakhs unless otherwise stated)

	Particulars	**Note No.**	**For Year ended 31-Mar-18**	**For Year ended 31-Mar-17**
1	Revenue from operations	26	5,715.54	5,591.39
2	Other income	27	1,313.66	513.80
3	**Total revenue (1+2)**		**7,029.20**	**6,105.19**
4	**Expenses**			
	(a) Employee benefits expense	28	178.78	186.06
	(b) Finance costs	29	3,399.84	3,648.21
	(c) Depreciation and amortisation expense	5	1,984.03	2,005.85
	(d) Other expenses	30	1,170.83	1,219.54
	Total expenses		**6,733.48**	**7,059.66**
5	**Pofit/(Loss) before tax (3 - 4)**		295.72	(954.47)
6	**Tax expense:**			
	(a) Current tax expense		68.35	-
	(b) Deferred tax		-	-
7	**Profit/(Loss) after tax for the year (5-6)**		**227.37**	**(954.47)**
8	**Other Comprehensive Income**			
	Items that will not be reclassified to Profit or Loss			
	-Remeasurement of defined benefit Obligation		(3.16)	-
9	**Total Comprehensive Income**		230.53	(954.47)
10	**Earnings per share of Rs. 10/- each (In Rupees)**	33	0.63	(2.65)

In terms of out report attached

For Raghu & Gopal
Chartered Accountants
Frn no.003335S

A Gopal
Partner
M.No : F 9035

Place: Chennai
Date: 30 April , 2018

For and on behalf of the Board of Directors

B.S.Sampath	**K.V.Kasturi**
Director	**Director**
DIN: 07534685	**DIN:00892075**
K.Saminathan	**P.Srinivasan**
Chief Financial Officer	**Company Secretary**

Place: Chennai
Date: 30 April , 2018

CLARION WIND FARM PRIVATE LIMITED
Statement of Changes in Equity for the year ended 31 March, 2018
(All amounts are in Indian Rupees in Lakhs unless otherwise stated)

A. Equity Share Capital

Balance at the beginning of the reporting period	Balance at the end of the reporting period
3,599.46	3,599.46

B. Other Equity

Particulars	Reserves and Surplus					
	Capital Reserve	Securities Premium Reserve	Ind AS Transition Reserve	General Reserve	Retained Earnings	Total
Balance at the beginning of the reporting period	228.57	1,352.50	63.11	-	(7,747.71)	(6,103.53)
Profit/Loss for the Period					230.53	230.53
Changes in accounting policy or Prior period items	(147.37)					(147.37)
Restated balance at the beginning of the reporting period						-
Total Comprehensive income for the year						-
Dividends						-
Transfer to retained earnings						-
Balance at the end of reporting period	81.20	1,352.50	63.11	-	(7,517.18)	(6,020.37)

In terms of out report attached

For and on behalf of the Board of Directors

For Raghu & Gopal
Chartered Accountants
Frn no.003335S

B.S.Sampath
Director
DIN: 07534685

K.V.Kasturi
Director
DIN:00892075

A Gopal
Partner
M.No : F 9035

K.Saminathan
Chief Financial Officer

P.Srinivasan
Company Secretary

Place: Chennai
Date: 30 April , 2018

Place: Chennai
Date: 30 April , 2018

CLARION WIND FARM PRIVATE LIMITED
Cash Flow Statement for the year ended March 31, 2018
(All amounts are in Indian Rupees in Lakhs unless otherwise stated)

Particulars	For the Year Ended 31 March, 2018	For the Year Ended 31 March, 2017
A. Cash flow from operating activities		
Profit/(Loss) before tax	230.53	(954.47)
Adjustments for:		
Depreciation and amortisation expense	1984.03	2005.85
Provision for doubtful debts	63.00	14.39
Finance costs	3399.84	3648.21
Interest income	(960.63)	(1.37)
Reserve adjustment on account of capital reserve	(147.37)	(354.90)
income	(257.79)	-
Operating Profit/(loss) before working capital/other changes	**4311.61**	**4357.71**
Changes in working capital/others:		
Adjustments for (increase) / decrease in operating assets:		
Current		
Inventories	(3.11)	104.43
Investments		
Trade receivables	451.47	(467.82)
Other Financial Assets	(877.23)	(26.26)
Other Current Assets	(39.05)	75.91
Non Current		
Other Financial Assets	(33.15)	-
Other Non-Current Assets	(4.20)	(37.79)
Adjustments for increase / (decrease) in operating liabilities:		
Current		
Trade payables	4.46	(14.80)
Other financial liabilities	(0.28)	2368.07
Provisions	(1.29)	2.71
Other Current Liabilities	59.76	-
Non Current		
Other financial liabilities	-	(1535.42)
Other liabilities		
Provisions	1.88	6.16
Cash (used in) operations	**3870.87**	**4832.90**
Net income tax (paid)		
Net cash flow (used in) / from operating activities (A)	**3870.87**	**4832.90**
B. Cash flow from investing activities		
Capital expenditure on fixed assets, including capital work in progress and interest capitalised	(2.89)	(0.45)
- Subsidiaries	-	(22.09)
Loans given to subsidiaries/group companies (Net)	(260.40)	(6753.56)
Advances (repaid)/received from a Related Party	-	(176.73)
Interest received		
- Subsidiaries		
- Bank deposits	-	1.38
Net cash flow (used in) investing activities (B)	**(263.29)**	**(6951.46)**
C. Cash flow from financing activities		
Cash flows Items		
Proceeds from issue of equity shares		6647.13
From Related parties	473.40	
From Banks	(727.84)	-
From Financial institutions	1315.24	-
Proceeds of long term borrowings (Net of repayment)	-	(785.57)
From Related parties		
From Banks	-	(119.53)
From Financial institutions	(875.28)	(3648.21)
From Related parties	(1004.82)	-
From Banks	(563.14)	-
From Financial institutions	(2048.73)	-
Non Cash Flows		
unwinding	(22.94)	-
Net cash flow from financing activities (C)	**(3454.10)**	**2093.83**

CLARION WIND FARM PRIVATE LIMITED
Cash Flow Statement for the year ended March 31, 2018
(All amounts are in Indian Rupees in Lakhs unless otherwise stated)

Net decrease in Cash and cash equivalents (A+B+C)	**153.48**	**(24.73)**
Cash and cash equivalents at the beginning of the year	88.85	113.58
Cash and cash equivalents at the end of the year	**242.33**	**88.85**
Reconciliation of Cash and cash equivalents with the Balance Sheet:		
Cash and cash equivalents as per Balance Sheet	242.33	88.85
Add: Effect of exchange differences on restatement of foreign currency Cash and cash equivalents		
Cash and cash equivalents at the end of the year	**242.33**	**88.85**
Cash and cash equivalents at the end of the year *	**242.33**	**88.85**
* Comprises:		
(a) Cash on hand	0.25	0.11
(b) Balances with banks		
(i) In current accounts	110.20	88.52
(ii) In foreign currency accounts		
(iii) In deposit accounts with original maturity of less than 3 months	131.88	
(iv) In earmarked accounts (give details) (Refer Note (i) below)		0.22
	242.33	**88.85**

Note:
Earmarked account balances include account balances held as margin money accounts, share application money account and deposits accounts created as counter guarantees provided by bank.

See accompanying notes forming part of the financial statements

In terms of out report attached
For Raghu & Gopal
Chartered Accountants
Frn no.003335S

A Gopal
Partner
M.No : F 9035

Place: Chennai
Date: 30 April , 2018

For and on behalf of the Board of Directors

B.S.Sampath
Director
DIN: 07534685

K.V.Kasturi
Director
DIN:00892075

K.SAMINATHAN
Chief Financial Officer

P.Srinivasan
Company Secretary

Place: Chennai
Date: 30 April , 2018

CLARION WIND FARM PRIVATE LIMITED

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

(All amounts are in Indian Rupees in Lakhs unless otherwise stated)

1. General Information:

CLARION WIND FARM PRIVATE LIMITED ("the Company"), is a private company incorporated in India having its registered office at No. 18/3 Sigapi Achi Building, Rukmani Lakshmipathy Road, Egmore, Chennai - 600 008. The Company is a subsidiary of Bharath Wind Farm Ltd. The Company is engaged in the business of generating electricity through Wind and distribution of the power to the customers.

2. Applicability of new and revised Ind AS:

All the Indian Accounting Standards issued and notified by the Ministry of Corporate Affairs under the Companies (Indian Accounting Standards) Rules, 2015 (as amended) till the financial statements are authorized have been considered in preparing these financial statements. There is no other Indian Accounting Standard that has been issued as of that date but was not mandatorily effective.

Recent Accounting Pronouncements - Recent Standards Issued but not effective

There were certain amendments to the Accounting Standards which were applicable from this financial year, namely a) amendment to Ind AS 7 requiring the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the balance sheet for liabilities arising from financing activities, to meet the disclosure requirement, which have been addressed in the current financials and b) amendment to Ind AS 102 providing specific guidance to measurement of cash-settled awards, modification of cash-settled awards and awards that include a net settlement feature in respect of withholding taxes, which does not have any impact on this company.

Changes in Accounting Standards that may affect the Company / Group after 31st March 2018

Ind AS 115 - Revenue from Customers

This standard combines, enhances and replaces specific guidance on recognising revenue with a single standard. It defines a new five-step model to recognise revenue from customer contracts.

The company is in the process of reviewing the main types of commercial arrangements used with customers under this model and on a very broad, preliminary analysis and pending a detailed review determines that the application of Ind AS 115 may not have a material impact on the results or the financial position.

This standard is mandatory for accounting periods beginning on or after 1st April 2018. The company is planning to apply the standard prospectively, utilising the practical experience and to not to restate contracts that begin and end within the same annual accounting period.

Improvements and other amendments to Accounting Standards applicable after 31st March 2018

A number of standards have been modified on miscellaneous issues with effect from 1st April 2018. Such changes include principle for transfer of asset to, or from, Investment Property (Amendment to Ind AS 40), determination of exchange rate for translation of foreign currency where a pre-payment asset or a deferred income liability is recognized (Amendment to Ind AS 21), segregation of deductible temporary differences in accordance with tax laws and assessing them on that basis to recognise deferred tax asset (Amendment to Ind AS 12), permitting election of fair value or equity method of accounting for investments in associates and joint ventures by venture capital ,mutual fund and other similar organisations (Amendment to Ind AS 28) and Applicability of disclosure requirements to interests classified as held for sale or as discontinued operation (Amendment to Ind AS 112).

None of these amendments are expected to have any material effect on the company / group's financial statements.

Standards made effective from April 01, 2017

Amendment to IND AS 7:

The amendment to IND AS 7 requires the entities to provide disclosures that enable the users of the financial statements to evaluate changes in liabilities arising from financing activities including both changes arising from cashflows and non cash changes suggesting inclusion of a reconciliation between the opening balance in the balance sheet for liabilities arising from financing activities to the meet the disclosure requirement.

Amendment to IND AS 102:

The amendment to IND AS 102 provides specific guidance to measurement of cash-settled awards, modification of cash-settled awards and awards that include a net settlement feature in respect of witholding taxes. As at 31 March 2017, the Company does not have any share-based payment plans.

The Company has not opted for early adoption of the above amendments and will not have a any material impact on the financial statements of the Company when adopted.

3. Significant Accounting Policies :

3.1 Statement of compliance

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015. The accounting policies as set out below have been applied consistently to all years presented in these financial statements.

The Company has adopted Indian Accounting Standards (referred to as "Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 with effect from 1 April 2015. Upto the year ended 31 March 2016, the Company prepared its financial statements in accordance with the requirements of previous GAAP, which includes Standards notified under the Companies (Accounting Standards) Rules, 2006. The date of transition to Ind AS is 1 April 2015.

Refer Note 3.18 for the details of first-time adoption exemptions availed by the Company.

3.2 Basis of preparation and presentation

These financial statements have been prepared on the historical cost basis, except for certain financial instruments which are measured at fair values at the end of each reporting period, as explained in accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

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

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

(i) Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;

(ii) Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and

(iii) Level 3 inputs are unobservable inputs for the asset or liability.

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The principal accounting policies are set out below:

3.3. Investments in subsidiaries and associates

The Company records the investments in subsidiaries and associates at cost less impairment loss, if any.

Interest free loans provided to subsidiary are recognized at fair value on the date of disbursement and the difference on fair valuation is recognized as deemed investment in subsidiary. Such deemed investment is added to the carrying amount of investment in subsidiaries. Loans are accounted at amortized cost method using effective interest rate. If there is an early repayment of loan made by the subsidiary, the proportionate amount of the deemed investment recognized earlier is adjusted.

3.4 Non-Current assets held for sale

Non-current assets or disposal groups classified as held for sale are measured at the lower of carrying amount and fair value less costs to sell.

Non-current assets or disposal groups are classified as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset or disposal group is available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such assets. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification as held for sale, and actions required to complete the plan of sale should indicate that it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn.

Property, Plant and Equipment are not depreciated or amortized once classified as held for sale.

3.5 Revenue recognition

Sale of Power

Revenue from power generation is recognized on accrual basis, net off charges of distribution authority, as per the terms of Power Purchasing Agreement with State Electricity Board and other parties upon supply of power.

Sale of power recognized on the basis of money received from State Utility on the basis of rate approved by the utility .Company has made a claim for higher tariff based on APERC order which is pending disposal by electricity authorities and would be recognized as income in the year in which the claim is accepted and paid by the electricity authority. As it is in the nature of contingent asset the same has not been recognized in consonance with the Accounting Standard AS -29 - Provisions and Contingencies.

Other Income

Dividend income from investments is recognised when the shareholder's right to receive payment is established. Interest income from financial assets is recognised at the effective interest rate applicable on initial recognition.

3.6 Foreign Currencies

The functional currency of the Company is Indian Rupees which represents the currency of the primary economic environment in which it operates.
Transactions in currencies other than the Company's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are translated using mean exchange rate prevailing on the last day of the reporting period.

Exchange differences on monetary items are recognised in the Statement of Profit and Loss in the period in which they

3.7 Borrowing Costs

Borrowing costs specifically identified to the acquisition or construction of qualifying assets is capitalized as part of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use. All other borrowing costs are charged to the Statement of Profit and Loss.

Capitalisation of borrowing costs is suspended and charged to the Statement of Profit and Loss during extended periods when active development activity on the qualifying assets is interrupted.

Interest income earned on temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization. Borrowing costs that are not directly attributable to a qualifying asset are recognised in the Statement of Profit or Loss using the effective interest method.

3.8 Government Grants

Government grants, including non-monetary grants at fair value, are not recognised until there is reasonable assurance that the Company will comply with the conditions attached to them and that the grants will be received.

Government grants whose primary condition is that the Company should purchase, construct or otherwise acquire non-current assets and non-monetary grants are recognised and disclosed as 'deferred income' as non-current liability in the Balance Sheet and transferred to the Statement of Profit and Loss on a systematic and rational basis over the useful lives of the related assets.

3.9 Taxation

Income tax expense represents the sum of the current tax and deferred tax.

3.9.1 Current tax

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

3.9.2 Deferred tax

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

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

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.
Deferred tax assets include Minimum Alternative Tax (MAT) paid in accordance with the tax laws in India, which is likely to give future economic benefits in the form of availability of set off against future income tax liability. Accordingly, MAT is recognised as deferred tax asset in the balance sheet when the asset can be measured reliably and it is probable that the future economic benefit associated with asset will be realised.

Projects under which assets are not ready for their intended use and other capital work-in-progress are carried at cost, comprising direct cost, related incidental expenses and attributable interest

3.9.3 Current and deferred tax for the year
Current and deferred tax expense is recognised in the Statement of Profit and Loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

3.10 Property plant and equipment
Fixed assets are carried at cost less accumulated depreciation and impairment losses, if any. The cost of fixed assets comprises the purchase price net of any trade
discounts and rebates, any import duties and other taxes (other than those subsequently recoverable) and includes interest on borrowings attributable to acquisition of
qualifying fixed assets up to the date the asset is ready for its intended use and other incidental expenses incurred up to that date. Subsequent expenditure relating to fixed
assets is capitalised only if such expenditure results in an increase in the future benefits from such asset beyond its previously assessed standard of performance.

Any part of components of fixed assets which or separately identifiable and expected to have a useful life which is different from that of the main assets are capitalised separately, based on the technical assessment of the management

Projects under which assets are not ready for their intended use and other capital work-in-progress are carried at cost, comprising direct cost, related incidental expenses and attributable interest

Fixed assets retired from active use and held for sale are stated at the lower of their net book value and net realisable value and are disclosed separately.

For transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognized as of April 1, 2015 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

Capital work in progress represents projects under which the property, plant and equipment's are not yet ready for their intended use and are carried at cost determined as aforesaid.

3.10.1 Depreciation

Depreciation on fixed assets is provided pro-rata for the periods of use on the straight-line method at the rates specified in Schedule II to the Companies Act, 2013 except in respect of certain assets mentioned below which are provided for at the rates based on the estimated useful lives of the assets, as determined by the Management:

Plant and Equipment treated as Continuous Process Plants based on technical evaluation done by the Management are depreciated over a period of 19 years duly considering the nature of the plants and technical assessment.

Plant and Equipment in the nature of transmission facilities are depreciated over a period of 21 years considering the nature of the facilities and technical evaluation.

Individual assets costing less than Rs. 5,000 each are depreciated in the year of purchase considering the type and usage pattern of these assets.

Leasehold improvements are depreciated over the primary lease period.

Depreciation is accelerated on fixed assets, based on their condition, usability, etc. as per the technical estimates of the Management, where necessary.

Buildings and Plant and Machinery on land/plant obtained on a lease arrangement are depreciated over the Term of the arrangement.

3.11 Inventories

Raw materials and stores and spares are valued at lower of cost and net realizable value. Cost is determined on a weighted average basis and includes all direct cost (fair value of consideration) incurred in bringing such inventories to their present location and condition.

Due allowance is made to the carrying amount of inventory based on Management's assessment/technical evaluation and past experience of the Company duly taking into account its age, usability, obsolescence, expected realisable value etc.

3.12 Provisions , Contingent Liabilities and Contingent Assets

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

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material.
Contingent assets are disclosed in the Financial Statements by way of notes to accounts when an inflow of economic benefits is probable.

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

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

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss)are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in the Statement of Profit and Loss.

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

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

(ii) Financial assets at amortised cost
Financial assets are subsequently measured at amortised cost using the effective interest method if these financial assets are held within a business whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

(iii) Financial assets at fair value through other comprehensive income
Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.
The Company has made an irrevocable election to present in other comprehensive income subsequent changes in the fair value of equity investments not held for trading.

(iv) Financial assets at fair value through profit or loss

Financial assets are measured at fair value through profit or loss unless it is measured at amortised cost or at fair value through other comprehensive income on initial recognition. The transaction costs directly attributable to the acquisition of financial assets at fair value through profit or loss are immediately recognised in profit or loss.

(v) Impairment of financial assets

The Company assesses at each balance sheet date whether a financial asset or a group of financial assets is impaired. Ind AS 109 requires expected credit losses to be measured through a loss allowance. The Company recognises lifetime expected losses for trade receivables that do not constitute a financing transaction. For all other financial assets, expected credit losses are measured at an amount equal to 12 month expected credit lossesor at an amount equal to lifetime expected losses, if the credit risk on the financial asset has increased significantly since initial recognition.

(vi) Derecognition of financial assets

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

On derecognition of a financial asset in its entirety (except for equity instruments designated as FVTOCI),the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in the Statement of Profit and Loss.

3.16. Financial liabilities

i) 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 FVTPL, are subsequently measured at the higher of:

a. the amount of loss allowance determined in accordance with impairment requirements of Ind AS 109; and

b. the amount initially recognised less, when appropriate, the cumulative amount of income recognised in accordance with the principles of Ind AS 18.

ii) Financial Liabilities at Amortized Cost

Financial liabilities are measured at amortised cost using the effective interest method.

iii) Derecognition of financial liabilities

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

3.17 Derivative financial instruments

The Company uses derivative financial instruments, such as cross currency swaps, interest rate swaps, etc. to manage its exposure to interest rate and foreign exchange risks. Although the company believes that these derivatives constitute hedges from an economic perspective, they may not qualify for hedge accounting under Ind AS 109, Financial Instruments. Any derivative that is either not designated a hedge, or is so designated but is ineffective as per Ind AS 109, is categorized as a financial asset or financial liability, at fair value through profit or loss.Such derivative financial instrumentsare initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value through profit or loss and the result in exchange gains or losses are included in Exceptional items. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.Assets/ liabilities in this category are presented as current assets/current liabilities if they are either held for trading or are expected to be realized within 12 months after the balance sheet date.

3.18 Earnings Per Share

Basic earnings per share are computed by dividing the net profit after tax by the weighted average number of equity shares outstanding during the period. Diluted earnings per share is computed by dividing the profit after tax by the weighted average number of equity shares considered for deriving basic earnings per share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares.

3.19 Cash Flow Statement

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

3.20 Insurance Claims

Insurance claims are accounted for on the basis of claims admitted/expected to be admitted and to the extent that the amount recoverable can be measured reliably and it is reasonable to expect ultimate collection.

3.21 Employee Benefits

Employee benefits are accrued in the period in which the associated services are rendered by employees of the Company, as detailed below:

Defined contribution plans

The Company's contribution to State Governed provident fund scheme, Employee State Insurance scheme and Employee pension scheme are considered as defined contribution plans and expenses are recognized in the Statement of Profit and Loss based on the amount of contribution required to be made and when services are rendered by the employees.

Defined benefit plans

The cost of the defined benefit plans and the present value of the defined benefit obligation are based on actuarial valuation using the projected unit credit method. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation ad its long term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The Company accrues for liability towards Gratuity which is a defined benefit plan. The present value of obligation under such defined benefit plan is determined based on actuarial valuation as at the balance sheet date, using the Projected Unit Credit Method. Actuarial gains and losses are recognized in the statement of Other comprehensive income in the period in which they occur.

Short Term benefits
Short term employee benefi ts at the Balance Sheet date, including short term compensated absences, are recognized as an expense as per the Company's scheme based on expected obligations on an undiscounted basis.

Long term employee benefits
The Company accounts for its liability towards long term compensated absences based on the actuarial valuation done as at the Balance Sheet date by an independent actuary using the Projected Unit Credit Method.

3.22 Lease classification
Leases are classified as finance lease whenever the terms of the lease transfer substantially all the risk and rewards of ownership to the lessee. All the other leases are classified as operating leases.

Operating lease payments are recognized as expenditure in the Statement of Profit and Loss on a straight-line basis, unless another basis is more representative of the time pattern of benefits received from the use of the assets taken on lease or the payments of lease rentals are in line with the expected general inflation compensating the lessor for expected inflationary cost. Contingent rentals arising under operating leases are recognized as an expense in the period in which they are incurred.

Assets held under finance lease are capitalised at the inception of the lease, with corresponding liability being recognised for the fair value of the leased assets or, if lower, the present value of the minimum lease payments. Lease payments are apportioned between the reduction of the lease liability and finance charges in the statement of Profit or Loss so as to achieve a constant rate of interest on the remaining balance of the liability. Assets held under finance leases are depreciated over the shorter of the estimated useful life of the asset and the lease term.

3.23 First-time adoption-mandatory exceptions, optional exemptions
3.23.1 Overall principle
The Company has prepared the opening balance sheet as per Ind AS as of April 1, 2015 (the transition date) by recognising all assets and liabilities whose recognition is required by Ind AS, not recognising items of assets or liabilities which are not permitted by Ind AS, by reclassifying certain items from Previous GAAP to Ind AS as required under the Ind AS, and applying Ind AS in the measurement of recognised assets and liabilities. However, this principle is subject to certain mandatory exceptions and certain optional exemptions availed by the Company as detailed below.

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

3.23.3 Classification of debt instruments
The Company has determined the classification of debt instruments in terms of whether they meet the amortised cost criteria or the FVTOCI criteria based on the facts and circumstances that existed as of the transition date.

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

3.23.5 Deemed cost for PPE

The Company has elected to continue with the carrying value of all of its Property, Plant and Equipment recognised as of April 1, 2015 (transition date) measured as per the Previous GAAP and used that carrying value as its deemed cost as of the transition date except adjustment related to decommissioning liabilities.

3.23.6 Determining whether an arrangement contains a lease

The Company has applied Appendix C of Ind AS 17 'Leases' for determining whether an arrangement contains a Lease at the transition date on the basis of facts and circumstances existing at that date.

3.23.7 Investments in subsidiaries and associates

The Company has elected to carry its investments in subsidiaries and associates at deemed cost being carrying amount under Previous GAAP on the transition date.

3.23.8 Equity investments at FVTOCI

The Company has designated investments in equity shares other than in subsidiaries and associates as at FVTOCI on the basis of facts and circumstances that existed at the transition date.

4. Critical accounting assumptions :

The preparation of financial statements in conformity with Ind AS requires management to make judgements, estimates and assumptions, that affect the application of accounting policies and the reported amounts of assets and liabilities, disclosures of contingent liabilities at the date of the financial statements and the reported amounts of revenue and expenses for the years presented. Actual results may differ from these estimates.

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

In particular, information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements pertain to:

4.1 Useful lives of property, plant and equipment:

The Company has estimated useful life of each class of assets based on the nature of assets, the estimated usage of the asset, the operating condition of the asset, past history of replacement, anticipated technological changes, etc. The Company reviews the carrying amount of property, plant and equipment and Intangible assets at the end of each reporting period. This reassessment may result in change in depreciation expense in future periods.

Depreciation on Property Plant and Equipment is provided pro-rata for the periods of use on the straight line method(SLM) return on the basis of useful life of fixed assets mandated by Part C of Schedule II of the Companies Act, 2013 or the useful life determined by the company based on technical evaluation, whichever is lower, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, maintenance support, as per details given below:

Assets		Useful Life
Property, Plant and Equipment	-	22 years
Office Equipments	-	5 years
Vechiles	-	9 years
Computers	-	3 years

4.2 Impairment of tangible other than goodwill

Property, plant and equipment are tested for impairment when events occur or changes in circumstances indicate that the recoverable amount of the cash generating unit is less than its carrying value. The recoverable amount of cash generating units is higher of value-in-use and fair value less cost to sell. The calculation involves use of significant estimates and assumptions which includes turnover and earnings multiples, growth rates and net margins used to calculate projected future cash flows, risk-adjusted discount rate, future economic and market conditions.

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

At each Balance Sheet date, consideration is given to determine whether there is any indication of impairment of the carrying amount of the Company's assets. If any indication exists, estimation is made for the asset's recoverable amount, which is the greater of the net selling price and the value in use. An impairment loss, if any, is recognized whenever the carrying amount of an asset exceeds the recoverable amount.

Impairment losses of continuing operations, including impairment on inventories, if any, are recognized in profit or loss section of the statement of profit and loss.

4.3 Application of interpretation for Service Concession Arrangements (SCA)

Management has assessed applicability of Appendix A of Indian Accounting Standards 11: Service Concession Arrangements for the power purchase agreement which the company has entered into. In assessing the applicability of SCA, the management has exercised significant judgement in relation to the underlying ownership of the assets, the attached risks and rewards of ownership, residual interest and the fact that secondary lease periods are not at nominal lease rentals etc. in concluding that the arrangements don't meet the criteria for recognition as service concession arrangements

4.4 Determining whether an arrangement contain leases and classification of leases

The Company enters into service / hiring arrangements for various assets / services. The determination of lease and classification of the service / hiring arrangement as a finance lease or operating lease is based on an assessment of several factors, including, but not limited to, transfer of ownership of leased asset at end of lease term, lessee's option to purchase and estimated certainty of exercise of such option, proportion of lease term to the asset's economic life, proportion of present value of minimum lease payments to fair value of leased asset and extent of specialized nature of the leased asset.

4.5 Employee Benefits - Defined benefit obligation (DBO)

Management's estimate of the DBO is based on a number of critical underlying assumptions such as standard rates of inflation, medical cost trends, mortality, discount rate and anticipation of future salary increases. Variation in these assumptions may significantly impact the DBO amount and the annual defined benefit expenses.

CLARION WIND FARM PRIVATE LIMITED

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

(All amounts are in Indian Rupees in Lakhs unless otherwise stated)

5. Property, plant and equipment

Particulars	Tangible Assets								
	Land - Freehold	Buildings	Plant and Equipment	Furniture and Fixtures	Vehicles	Office equipments	Computers	Leasehold Improvements	Total Property, plant and equipment (5a)
Gross Carrying Amount									
As at April 1, 2016	740.14	-	20,418.92	-	1.06		0.06		21,160.18
Additions	-	-	0.38			0.07			0.45
Less: Assets included in a disposal group classified as held for sale									-
Less: Disposals/Transfers									-
Gross carrying amount as at March 31, 2017	**740.14**	**-**	**20,419.30**	**-**	**1.06**	**0.07**	**0.06**	**-**	**21,160.63**
Additions						0.07	2.82		2.89
Less:Derognition of subsidiary/ Other Adjustments									-
Disposals/transfers			-						-
Closing Gross Carrying Amount as at 31 March, 2018	**740.14**	**-**	**20,419.30**	**-**	**1.06**	**0.14**	**2.88**	**-**	**21,163.52**
Accumulated Depreciation/ Amortization									
Balance at April 1, 2016	-	-	1,433.67	-	0.16	-	0.06	-	1,433.89
Depreciation/ Amortisation charge during the year	-		2,005.63		0.15	0.07	-		2,005.85
Balance as at March 31, 2017	**-**	**-**	**3,439.30**	**-**	**0.31**	**0.07**	**0.06**	**-**	**3,439.74**
Depreciation/ Amortisation charge during the year	-		1,983.59		0.15	0.07	0.22		1,984.03
Less: Derognition of subsidiary/ Other Adjustments	-								-
Less: Disposals/transfers	-		-						-
Closing Balance as at March 31,2018	**-**	**-**	**5,422.89**	**-**	**0.46**	**0.14**	**0.28**	**-**	**5,423.77**
Net Carrying Amount as at March 31, 2017	740.14	-	16,980.00	-	0.75	-	-	-	**17,720.89**
Net Carrying Amount as at March 31, 2018	740.14	-	14,996.41	-	0.60	-	2.60	-	**15,739.75**

CLARION WIND FARM PRIVATE LIMITED

Notes forming part of Financial Statements for the year ended 31 March, 2018

(All amounts are in Indian Rupees in Lakhs unless otherwise stated)

Note 6: Investments

Particulars	As at 31 March, 2018	As at 31 March, 2017
Unquoted Investment Deemed Equity - Fellow Subsidiaries (refer note below)	37.31	77.00
Total	**37.31**	**77.00**

Note: The amount of Rs.37.31 Lakhs (Previous year Rs.77.00 Lakhs shown as deemed equity in respect of subsidiaries towards fair value of interest free loan and loan at subsidized interest rates amounting to Rs.9,783.86 Lakhs(Previous year 8,523.14 Lakhs).

Note 7 : Loans

Particulars	As at 31 March, 2018	As at 31 March, 2017
(a) Loans and advances to related parties		
Loans to Group Compaines	9,783.86	8,523.14
Total	**9,783.86**	**8,523.14**

Note 8: Other Financial Assets (Non Current)

Particulars	As at 31 March, 2018	As at 31 March, 2017
(a) Security Deposits	0.22	0.22
(b) Interest Receivable on Loan to Related Parties	1,133.44	256.21
Total	1,133.66	256.43

Note 9 : Other Non-Current Assets

Particulars	As at 31 March, 2018	As at 31 March, 2017
(a) Capital Advances	263.00	263.00
(b) Advance Income Tax (Net of Provisions)	24.24	24.24
(c) Unamortized upfront fee	33.64	29.44
Total	**320.88**	**316.68**

Note 10 : Inventories

Particulars	As at 31 March, 2018	As at 31 March, 2017
(a) Stores & Spares	119.84	114.06
(b) Consumables	6.10	8.77
Total	**125.94**	**122.83**

10.1.The cost of inventories recognised as an expense during the year is Rs.238.01 Lakhs (for the year ended 31st March ,2017: Rs.334.87 Lakhs)

10.2.The Mode of valuation of Inventories has been stated in Note.3.3

CLARION WIND FARM PRIVATE LIMITED
Notes forming part of Financial Statements for the year ended 31 March, 2018
(All amounts are in Indian Rupees in Lakhs unless otherwise stated)

Note 11: Trade receivables (Current)

Particulars	As at 31 March, 2018	As at 31 March, 2017
(a) Other Trade receivables		
- Unsecured, considered good	1,569.38	2,020.92
-Provision for Doubtful receivables	(375.51)	(312.58)
Total	**1,193.87**	**1,708.34**

Note:
1. The average credit period on sale is 30 days.

2. Ageing of receivables

Particulars	As at 31 March, 2018	As at 31 March, 2017
> Within the credit period	543.62	671.96
> 1-30 days past due	390.74	419.57
> 31-60 days past due	36.66	132.01
> 61-90 days past due	-	105.20
> More than 90 days past due	598.36	692.18
Total	**1,569.38**	**2,020.92**

3. Movement of Impairment for doubtful receivables

Particulars	As at 31 March, 2018	As at 31 March, 2017
Balance at beginning of the year	(312.58)	(311.65)
Provision for doubtful receivable other than credit risk	(62.93)	(0.93)
Balance at end of the year	(375.51)	(312.58)

Note 12 : Cash and cash equivalents

Particulars	As at 31 March, 2018	As at 31 March, 2017
(a) Cash on hand	0.25	0.11
(b) Balances with banks		
(i) In current accounts	110.20	88.52
(ii) In deposit accounts	131.88	-
- Balances held as margin money	-	0.22
Total	**242.33**	**88.85**

CLARION WIND FARM PRIVATE LIMITED
Notes forming part of Financial Statements for the year ended 31 March, 2018
(All amounts are in Indian Rupees in Lakhs unless otherwise stated)

Note 13 : Other Financial Asset (Current)

Particulars	As at 31 March, 2018	As at 31 March, 2017
(a) Security Deposits		
- Unsecured and considered good	324.52	291.37
Total	**324.52**	**291.37**

Note 14: Other Current Assets

Particulars	As at 31 March, 2018	As at 31 March, 2017
(a) Prepaid Expenses	35.66	38.13
(b) Unbilled Revenue	134.60	103.62
(c) Advances		
- Advance for Expenses	27.84	17.24
(d) Others	-	0.06
Total	**198.10**	**159.05**

CLARION WIND FARM PRIVATE LIMITED
Notes forming part of Financial Statements for the year ended 31 March, 2018
(All amounts are in Indian Rupees in Lakhs unless otherwise stated)
Note 15 : Share Capital

Particulars	As at 31 March, 2018		As at 31 March, 2017	
	Number of Shares	Amount Rs.	Number of Shares	Amount Rs.
(a) Authorised				
Equity shares of Rs. 10 each with voting rights	4,00,00,000	4,000.00	4,00,00,000	4,000.00
Preference shares of Rs. 10 each with voting rights				
(b) Issued				
Equity shares of Rs. 10 each with voting rights	3,59,94,610	3,599.46	3,59,94,610	3,599.46
Preference shares of Rs. 10 each with voting rights	-	-	-	-
(c) Subscribed and fully paid up				
Equity shares of Rs.10 each with voting rights	3,59,94,610	3,599.46	3,59,94,610	3,599.46
Preference shares of Rs. 10 each with voting rights	-	-	-	-
Total	**3,59,94,610.00**	**3,599.46**	**3,59,94,610.00**	**3,599.46**

Notes:
(i) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period:

Particulars	Opening Balance	Fresh issue	Closing Balance
Equity shares with voting rights			
Year ended 31 March, 2018			
- Number of shares	3,59,94,610	-	3,59,94,610
- Amount (Rs.)	3,599.46	-	3,599.46
Year ended 31 March, 2017			
- Number of shares	3,59,94,610	-	3,59,94,610
- Amount (Rs.)	3,599.46	-	3,599.46

ii) Terms and Rights attached to equity shares

i. The company has only one class of equity shares having a par value of Rs.10 each. Each shareholder of equity shares is entitled to one vote per share.

ii. In the event of liquidation, the equity shareholders will be entitled to receive the remaining assets of the company, after distribution of all referential amounts, in proportion to shareholding. However, no such preferential amount exists as on the balance sheet date.

(iii) Details of shares held by the holding company

Particulars	Equity shares with voting rights
	Number of Shares
As at 31 March, 2018	
Bharath Wind Farm Limited	2,60,42,100
As at 31 March, 2017	
Bharath Wind Farm Limited	2,60,42,100

(iv) Details of shares held by each shareholder holding more than 5% shares:

Class of shares / Name of shareholder	As at 31 March, 2018		As at 31 March, 2017	
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
Equity shares with voting rights				
Bharath Wind Form Limited, Holding Company	2,60,42,100	72.35%	2,60,42,100	72.35%
Brakes India Limited	25,66,436	7.13%	19,15,557	5.32%
Sundaram Fasteners Limited	18,40,221	5.11%	19,50,891	5.42%

CLARION WIND FARM PRIVATE LIMITED
Notes forming part of Financial Statements for the year ended 31 March, 2018
(All amounts are in Indian Rupees in Lakhs unless otherwise stated)

Note 16: Other Equity

(i) Reserves & Surplus

Particulars	As at 31 March, 2018	As at 31 March, 2017
(a) Capital Reserve		
Opening balance	228.57	583.47
Add : Subsidy Received during the year	-	-
Less : Utilised during the year	147.37	354.90
Closing balance	81.20	228.57
(c) Securities premium account		
Opening balance	1,352.50	1,352.50
Add : Premium on securities issued during the year	-	-
Less : Utilised during the year	-	-
Closing balance	1,352.50	1,352.50
(e) Ind AsTransition Reserve		
Opening balance	63.11	63.11
Add : Premium on securities issued during the year	-	-
Less : Utilised during the year	-	-
Closing balance	63.11	63.11
(d) Surplus / (Deficit) in Statement of Profit and Loss		
Opening balance	(7,747.71)	(6,793.24)
Add: (Loss) for the year	230.53	(954.47)
Less: Transfer to Reserves	-	-
Closing balance	(7,517.18)	(7,747.71)
Total	**(6,020.37)**	**(6,103.53)**

Note 17 : Long-term borrowings

Particulars	As at 31 March, 2018	As at 31 March, 2017
(a) Term loans		
From Banks - Secured	3,750.00	4,250.00
From Financial Institutions - Secured	5,772.00	1,750.00
(b) Loans taken from related parties		
From Holding Company - Unsecured	1,336.97	890.73
From Fellow Subsidiaries - Unsecured	14,429.98	14,402.82
(c) From Other Parties - Unsecured	2,400.00	2,400.00
Total	**27,688.95**	**23,693.55**

(i) The company has been generally regular in the repayment of dues and interest corresponding to the above loan. However there have been delays in meeting the debt service obligations during the current year. The loan accounts are presently classified as standard by the lenders.

(ii) For the current maturities of long-term borrowings, refer items (a) and (b) in "Other financial liabilities (current)".

(iii) Details of terms of repayment and security provided in respect of the secured long-term borrowings .

CLARION WIND FARM PRIVATE LIMITED
Notes forming part of Financial Statements for the year ended 31 March, 2018
(All amounts are in Indian Rupees in Lakhs unless otherwise stated)

Note 18 : Other Financial Liabilities (Non Current)

Particulars	As at 31 March, 2018	As at 31 March, 2017
Interest payable to other Related parties	1,715.55	897.43
Total	1,715.55	897.43

Note 19 : Long-term provisions

Particulars	As at 31 March, 2018	As at 31 March, 2017
(a) Provision for employee benefits:		
(i) Provision for compensated absences	11.37	9.53
(ii) Provision for gratuity	16.00	15.96
Total	**27.37**	**25.49**

Note 20 : Deferred Tax Liability

Particulars	As at 31 March, 2018	As at 31 March, 2017
Tax effect of items constituting deferred tax liability		
Difference between the depreciation as per Books of Account and Income Tax Act, 1961	5,205.15	5,205.15
Tax effect of items constituting deferred tax assets		
Provision for Employee Benefits	(5,205.15)	(5,205.15)
Unabsorbed depreciation / carried forward losses		
(restricted to the extent of the remaining Net Deferred Tax Liability)		
Net deferred tax (liability) / asset	**-**	**-**

Note:
Since Company is incurring losses and there is absence of reasonable certainty regarding availability of future taxable income against which such deferred tax assets can be realised, Deferred tax has not been recognised in these financial statements.

Note 21:Borrowings (Short term)

Particulars	As at 31 March, 2018	As at 31 March, 2017
(a) Borrowings		
(i) Secured - From Other Parties	-	875.28
Total	**-**	**875.28**

Note 22: Trade payables

Particulars	As at 31 March, 2018	As at 31 March, 2017
Other than Acceptances	639.01	634.56
Total	**639.01**	**634.56**

Note:
As at 31 March, 2017 and 31 March, 2016, based on and to the extent of information available with the Company regarding the registration of suppliers as Micro and Small Enterprises under the Micro, Small and Medium Enterprises Development Act, 2006, there are no amounts outstanding in respect of these suppliers.

CLARION WIND FARM PRIVATE LIMITED
Notes forming part of Financial Statements for the year ended 31 March, 2018
(All amounts are in Indian Rupees in Lakhs unless otherwise stated)

Note 23: Other Financial Liabilities (Current)

Particulars	As at 31 March, 2018	As at 31 March, 2017
(a) Current maturities of long-term debt	1,078.49	4,013.08
(b) Interest accrued and due on Long term borrowings	178.95	1,494.64
- Others	0.42	0.70
Total	**1,257.86**	**5,508.42**

Note:
Refer Notes.17 and Borrowings note below for details of security and guarantee.

Note 24: Provisions (short term)

Particulars	As at 31 March, 2018	As at 31 March, 2017
(a) Provision for employee benefits:		
(i) Provision for compensated absences	1.88	2.51
(ii) Provision for gratuity	1.89	2.55
Total	**3.77**	**5.06**

Note 25: Other Current Liabilities

Particulars	As at 31 March, 2018	As at 31 March, 2017
(a) Statutory remittances	188.62	128.86
Total	**188.62**	**128.86**

Company Name: CLARION WIND FARM PRIVATE LIMITED
Notes forming part of Financial Statements for the period ended 31 March, 2018
(All amounts are in Indian Rupees in Lakhs unless otherwise stated)

Note 17 (i):
Details of terms of repayment, interest rates and security provided in respect of the secured long-term borrowings:

Lender	Terms of Repayment and Security	Total Amount Outstanding		Amount repayable within one year classified as Other current liabilities (Refer Note 23)		Amount disclosed as Long Term Borrowings (Refer Note 17)	
		As at 31 March, 2018	As at 31 March, 2017	As at 31 March, 2018	As at 31 March, 2017	As at 31 March, 2018	As at 31 March, 2017
Term Loans							
City Union Bank	Repayable in 32 quarterly installments commencing from December 2016 & ending September 2024. First charge on 345 Acres of Wind Turbine Farm situated at Nagercoil and nettur villages in kanniyakumari&Tirunelvali. Interest Rates -Current Year -Base Rate + 9.70% (Previous Year Base Rate+2.8%) - As at 31 March 2018 -12.5%.	4,368.19	4,875.00	618.19	625.00	3,750.00	4,250.00
Corporation Bank	Term loan from Corporation Bank was taken during the year 2010-2011. The loan is repayable in 26 quarterly instalments of Rs.69.23 lakhs from the date of 31.03.2011. The loan is secured by First pari passu charge by way of hypothecation of 20 Wind Electric Generators & Equitable Mortgage of documents of title of land related to the said WEGs situate at Tirunelveli District of Tamil Nadu State and receivable from the said WEGs. (Under consortium with Corporation & SREI Infrastructure Finance Ltd.Interest rate-15.35%	-	98.04	-	98.04	-	-
Indian Overseas Bank	Term loan from Indian Overseas Bank was taken during the year 2010-2011. The loan is repayable in 28 quarterly instalments of Rs.12.50 lakhs from the date of 31.12.2010. The loan is secured exclusive charge of hypothecation of 5 Wind Electric Generators & Equitable Mortgage of documents of title of Land related to the said WEGs situate at Tirunelveli District of Tamil Nadu State. Interest rate -13.50%(BR+4%) As at 31.03.2017	-	24.10	-	24.10	-	-
State Bank of Hydrabad	Term loan from Stae Bank of Hyderabad was taken during the year 2010-2011. The loan is repayable in 26 quarterly instalments of Rs.77.00 lakhs from the date of 31.03.2011. The loan is secured by First pari passu charge by way of hypothecation of 20 Wind Electric Generators & Equitable Mortgage of documents of title of land related to the said WEGs situate at Tirunelveli District of Tamil Nadu State and receivable from the said WEGs. (Under consortium with Corporation & SREI Infrastructure Finance Ltd. Interest rate-13.20%-As at 31 March 2017	-	98.89	-	98.89	-	-
						-	-
Total - Term loans from Banks		**4,368.19**	**5,096.03**	**618.19**	**846.03**	**3,750.00**	**4,250.00**

Note 17 (ii) Cont'd :
Details of terms of repayment, interest rates and security provided in respect of the secured long-term borrowings:

Rs.in Lakhs

Lender	Terms of Repayment and Security	Total Amount Outstanding		Amount repayable within one year classified as Other current liabilities (Refer Note 25)		Amount disclosed as Long Term Borrowings (Refer Note 19)	
		As at 31 March, 2018	As at 31 March, 2017	As at 31 March, 2018	As at 31 March, 2017	As at 31 March, 2018	As at 31 March, 2017
e) Loan from other parties (Secured)							
SREI Infrastructure-I	Term loan from SREI Infrastructure Finance Ltd was taken during the year 2010-2011. The loan is repayable in 26 quarterly instalments of Rs.138.46 lakhs from the date of 31.03.2011. The loan is secured by Frist pari passu charge by way of hypothecation of 20 Wind Electric Generators and Equitable mortgage of documents of title of land related to the said WEGs situate at Tirunelveli district of Tamilnadu State and receivable from the WEGs. (Under consortium with Corporation Bank and State Bank of Hyderabad).Interest rate-15% SBR(18%-3%) As at 31.03.2017	-	636.14	-	636.14	-	-
SREI Infrastructure-II	Term loan from SREI Infrastructure Finance Ltd was taken during the year 2010-2011 . The loan is repayable every quarter commencing from F.Y 2013 - 2014 at an agreed varying percentage of sanction loan ending F.Y. 2018-2019. The loan is secured by subservient pledge of Bharat Wind Farm Limited's(BWFL) enitre investment in the equity capital of the company. Orient Green Power Company Ltd (OGPL) holding in Gamma Green Power Private Limited (GGPL), Orient Green Power Company Limited's (OGPL) 100% holding in Bharath Wind Farm Limited, corporate guarantee of OGPL, BWFL, GGPL, DSRA a/c charge on fixed assets, rights, approvals, contracts and entire current assets of the Company. Interest rate-16.75%(SBR(18%)-1.25%)	-	4,280.91	-	2,530.91	-	1,750.00
SREI Infrastructure - New	Term loan from SREI Infrastructure Ltd was taken during the year 2017-2018 and carries interest @ 12.75% p.a. The loan is repayable quarterly in the following proportion, 1st year - 6.80%, 2nd year-8%, 3rd year-9.5%, 4th year-11.30%, 5th year-13%, 6th year-15.50%, 7th year-18% and 8th year 17.90%. from 15.12.2017. The loan is secured by pledge of 72% Equity of Clarion Wind Farm P Limited, Pledge of 100% Equity of Bharat Wind Farm Limited, Subservient charges on entire fixed assets, rights, titles, approvals book debts, cash and bank balances, loans and advances & TRA and DSRA accounts of Soundarajan & Uniply Projects.The loan is secured by Corporate Gurantee of Orient Green power company Ltd,Bharath wind farm Ltd and Gamma Wind Farm Pvt ltd	6,232.30	-	460.30	-	5,772.00	-
Total Loan from other parties (Secured)		**6,232.30**	**4,917.05**	**460.30**	**3,167.05**	**5,772.00**	**1,750.00**
(iii) Loan from other parties (Unsecured)							
Shriram City Union Finance Ltd	Repayable at the end of the 60th month from the disbursement month. Disbursement made in March 2015. Interest Rate-12%. Charge-Not Applicable	2,400.00	2,400.00	-	-	2,400.00	2,400.00
Total - Loan from other parties (unsecured)		**2,400.00**	**2,400.00**	**-**	**-**	**2,400.00**	**2,400.00**
Total Borrowings		**13,000.49**	**12,413.08**	**1,078.49**	**4,013.08**	**11,922.00**	**8,400.00**

CLARION WIND FARM PRIVATE LIMITED
Notes forming part of Financial Statements for the year ended 31 March, 2018
(All amounts are in Indian Rupees in Lakhs unless otherwise stated)

There have been delays in payment of principal and interest outstanding as on 31st March 2017 as

Particulars	Period of default		2017-18	2016-17
	From	To		
Term Loan from Banks				
Principal Outstanding	Dec-17	Mar-18	118.19	174.78
Interest Outstanding	Dec-17	Mar-18	-	68.46
Overdue Balance as on 31.03.2018			**118.19**	**243.24**
Term Loan from Financial Institutions				
Principal Outstanding			-	1,528.59
Interest Outstanding			-	1,180.30
Overdue Balance as on 31.03.2018			**-**	**2,708.90**

Subsequent to the Balance Sheet date, out of the above stated outstanding the company paid Rs.49.00 Lakhs towards interest.

CLARION WIND FARM PRIVATE LIMITED
Notes forming part of Financial Statements for the year ended 31 March, 2018
(All amounts are in Indian Rupees in Lakhs unless otherwise stated)

Note 26 : Revenue from operations

Particulars	Year ended 31 March, 2018	Year ended March 31, 2017
(a) Sale of power	5,715.54	5,591.39
Total	**5,715.54**	**5,591.39**

Note 27 : Other Income

Particulars	Year ended 31 March, 2018	Year ended March 31, 2017
(a) Interest income (Refer Note (i) below)	960.63	498.30
(b) Net gain on foreign currency transactions and translation	0.06	-
(c) Other non-operating income	352.97	15.50
Total	**1,313.66**	**513.80**

Note 28 : Employee benefits expense

Particulars	Year ended 31 March, 2018	Year ended March 31, 2017
(a) Salaries and wages	147.76	153.12
(b) Contributions to provident fund	11.22	11.52
(c) Gratuity expense	4.70	10.40
(d) Staff welfare expenses	15.10	11.02
Total	**178.78**	**186.06**

Note 29 : Finance Costs

Particulars	Year ended 31 March, 2018	Year ended March 31, 2017
(a) Interest expense on:		
(i) Term Loans	1,553.97	1,989.75
(ii) Cash Credit	-	-
(iii) Short term borrowings	-	-
(iv) Group Companies	1,822.93	1,636.60
(b) Other borrowing costs	22.94	21.86
Total	**3,399.84**	**3,648.21**

CLARION WIND FARM PRIVATE LIMITED
Notes forming part of Financial Statements for the year ended 31 March, 2018
(All amounts are in Indian Rupees in Lakhs unless otherwise stated)

Note 30 : Other expenses

Particulars	Year ended 31 March, 2018	Year ended March 31, 2017
(a) Consumption of stores and spare parts	238.01	334.87
(b) Rent	1.36	1.21
(c) Repairs and maintenance - Buildings	-	-
- Machinery	662.87	572.79
- Others	3.50	4.96
(d) Insurance	32.06	28.16
(e) Rates and taxes	21.33	18.29
(f) Communication	3.17	1.59
(g) Travelling and conveyance	25.52	24.11
(h) Printing and stationery	4.94	3.41
(i) Sales commission	12.03	9.82
(j) Hire Charges	15.40	14.16
(k) Business promotion	0.41	-
(l) Legal and professional	30.78	65.29
(m) Management service fees	-	74.81
(n) Payments to auditors	2.30	2.30
(o) Provision for doubtful trade receivables	6.16	14.39
(p) Amounts written off - Scrapped Assets	-	-
(q) Electricity Charges	0.75	0.84
(r) Bank charges	0.08	2.59
(s) Watch and Ward	42.41	37.48
(t) Expected cr Loss	56.84	-
(u) Miscellaneous expenses	10.91	8.47
Total	**1,170.83**	**1,219.54**

CLARION WIND FARM PRIVATE LIMITED
Notes forming part of Financial Statements for the period ended 31 March, 2018
(All amounts are in Indian Rupees in Lakhs unless otherwise stated)

Note 28: Segment Reporting

The primary reporting of the Company has been made on the basis of Business Segments. The Company has a single business segment as defined in Indian Accounting Standard (Ind AS) 108 on Segment Reporting, namely Generation of Power through Renewable Sources. Accordingly, the amounts appearing in these financial statements relate to this primary business segment.

Note 28.1 : Information about major Customers

During FY 2016-17 and 2015-16 there are 2&3 Number of customers respectively who contributed 10% or more to the company's revenue.

Note 29 : Contingent liability and Commitments **Rs.in lakhs**

Note	Particulars	As at 31 March, 2018	As at 31 March, 2017
	Contingent Liabilities and Commitments		
(i)	Contingent liabilities (net of provisions)		
	Income tax dept has reopened the assessment for the year 2009-10 on the pretext that purchase of windmills has happenned during the asst year 2010-11. Consequently depreciation to the extent of Rs.1,493.64 Lakhs has been disallowed and tax demand for Rs 96.39 lakhs has been raised. The co has disputed the above demands in the higher forums.	96.39	96.39
(ii)	As Joint Guarantors		
	Note : The company is a Joint guarantor along with Bharath Windfarm Ltd and Orient Green Power Company Ltd Loan of Rs.65 crores sanctioned to M/S.Gamma Green Power Pvt Ltd , Subsidiary to Ultimate Holding Company.	7,500.00	9,000.00
(iii)	Commitments	NIL	NIL

CLARION WIND FARM PRIVATE LIMITED
Notes to the financial statements for the year ended March 31, 2018
(All amounts are in Indian Rupees in Lakhs unless otherwise stated)

Note 31 : Employee benefits expense

(I) Defined Contribution Plan
Company's (employer's) contributions to Defined contribution plans, recognised as expenses in the Statement of profit and loss are:

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
Provident Fund	11.22	11.52
ESI	0.98	2.20
EDLI Fund	1.00	1.24

(II) Defined Benefit Plans:

These plans typically expose the

Investment risk	The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds. When there is a deep market for such bonds; if the return on plan asset is below this rate, it will create a plan deficit. Currently, for these plans, investments are made in government securities, debt instruments, Short term debt instruments, Equity instruments and Asset Backed, Trust Structured securities as per notification of Ministry of Finance.
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 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.

Apart from gratuity, no other post-retirement benefits are provided to these employees.
In respect of the above plans, the most recent actuarial valuation of the plan assets and the present value of the defined benefit obligation were carried out as at 31 March 2017 by a member firm of the Institute of Actuaries of India. The present value of the defined benefit obligation, and the related current service cost and past service cost, were measured using the projected unit credit method
(a) Amount recognised in the statement of profit & loss in respect of the defined benefit plan are as follows :

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
Amounts recognised in statement of Profit & Loss in respect of these defined benefit plans are as follows:		
Service Cost		
- Current Service Cost	3.38	3.55
Net interest expense	1.32	0.84
Components of defined benefit costs recognised in profit or loss (A)	**4.70**	**4.39**
Remeasurement on the net defined benefit liability :		
Return on plan assets (excluding amount included in net interest expense)		-
Actuarial loss arising from demographic assumption changes	0.49	(0.87)
Actuarial loss arising from changes in financial assumptions	(1.09)	0.86
Actuarial (gains) arising form experience adjustments	(2.56)	4.52
Components of defined benefit costs recognised in other comprehensive income	**(3.16)**	**4.51**
Total	**1.54**	**8.90**

(i) The current service cost and interest expense for the year are included in the "Employee Benefit Expenses" line item in the statement of profit & loss under contribution to provident and other funds.
(ii) The remeasurement of the net defined benefit liability is included in other comprehensive income.

(b) The amount included in the balance sheet arising from the entity's obligation in respect of defined benefit plan is as follows :

Particulars	As at 31 March 2018	As at 31 March 2017
I. Net Asset/(Liability) recognised in the Balance Sheet		
Present value of defined benefit obligation		
Fair value of plan assets	17.88	18.51
Surplus/(Deficit)	(17.88)	(18.51)
Current portion of the above	1.87	2.55
Non current portion of the above	(16.01)	(15.96)

CLARION WIND FARM PRIVATE LIMITED
Notes to the financial statements for the year ended March 31, 2018
(All amounts are in Indian Rupees in Lakhs unless otherwise stated)

(c) Movement in the present value of the defined benefit obligation are as follows :

Particulars	For the year ended 31 March	For the year ended 31 March
Change in the obligation during the year		
Present value of defined benefit obligation at the beginning of the year	18.51	12.88
Expenses Recognised in Profit and Loss Account	-	-
- Current Service Cost	3.38	3.55
- Past Service Cost	-	-
- Interest Expense (Income)	1.32	0.84
Recognised in Other Comprehensive Income		
Remeasurement gains / (losses)		
- Actuarial Gain (Loss) arising from:		
i. Demographic Assumptions	0.49	(0.87)
i. Financial Assumptions	(1.09)	0.86
ii. Experience Adjustments	(2.56)	4.50
Benefit payments	(2.16)	(3.25)
Present value of defined benefit obligation at the end of the year	**17.89**	**18.51**

(d) The following Table gives the Funded Status and the amount recongnised in the Balance Sheet for the Plan.

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
Information Required Under Ind AS 19		
1. Projected benefit Obligation	17.89	18.51
2.Accumulated Benefits Obligation	11.59	13.75
3.Five Year Payouts (Para 147 C)		
2019	1.99	1.87
2020	2.18	1.91
2021	1.76	1.44
2022	1.67	1.27
2023	1.58	1.12
Next 5 Years Payouts (6-10 Yrs)	6.98	4.03
Contribution to be made in the next period (Para 147(b)		
Vested benefit Obligation as on Para 137 (b) as on 31-Mar-2018	16.01	

(e) The principal assumptions used for the purpose of actuarial valuation were as follows :

Particulars	As at 31 March 2018	As at 31 March 2017
Discount rate	7.54%	6.72%
Expected rate of salary increase	8.00%	8%
Expected return on plan assets	0.00%	0.00%
Withdrawal Rate	12%	15%
Mortality	IALM 2006-08(Ult)	IALM 2006-08(Ult)

* Based on India's standard mortality table with modification to reflect the expected changes in mortality/others

(f) Significant actuarial assumptions for the determination of defined obligation are discount rate, expected salary increase rate and mortality. The sensitivity analysis below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period while holding all other assumptions constant :

Sensitivity Analysis	**Discount rate**		**Salary Growth/ Increment rate**		**Attrition/ Withdrawal rate**	
	2017-18	**2016-17**	**2017-18**	**2016-17**	**2017-18**	**2016-17**
Difference due to increase in rate by 1%	11.27	1.15	11.17	(1.12)	17.33	0.14
Difference due to decrease in rate by 1%	10.37	(1.29)	11.81	1.02	17.27	(0.15)

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligations as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore , in presenting the above sensitivity analysis the present value of defined benefit obligation 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.

There is no change in the methods and assumptions used in preparing the sensitivity analysis from the prior years.

Experience Adjustments	For the year ended 31 March 2018	For the year ended 31 March 2017
Defined Benefit Obligation	17.89	18.51
Surplus/(Deficit)	(17.89)	(18.51)
Experience adjustment on plan liabilities [(Gain)/Loss]	(2.56)	4.50

CLARION WIND FARM PRIVATE LIMITED
Notes to the financial statements for the year ended March 31, 2018
(All amounts are in Indian Rupees in Lakhs unless otherwise stated)

Note 32: Related Party Transactions

Details of Related Parties:

Description of Relationship	**Names of Related Parties** **2017-18**	**Names of Related Parties** **2016-17**
Holding Company	Bharath Wind Farm Limited	Bharath Wind Farm Limited
Ultimate Holding Company	Orient Green Power Company Limited	Orient Green Power Company Limited
Subsidiaries to Ultimate Holding Company	Gamma Green Power Private Limited Beta Wind Farm Private Limited Amrit Environmental Technologies Private Limited Orient Green Power (Europe), BV Statt Orient Energy Private Limited Biobijlee Green Power Limited Orient Green Power (Maharashtra) Private Limited SM Environmental Technologies Private Limited (Upto 6 Sept 2017) Global Powertech Equipments Private Limited (Upto 6 Sept 2017) PSR Green Power Projects Private Limited (Upto 6 Sept 2017) Shriram Powergen Private Limited (Upto 6 Sept 2017) Shriram Non-Conventional Energy Private Limited (Upto 6 Sept 2017) Orient Bio Power Limited (Upto 6 Sept 2017) Orient Green Power Company (Rajasthan) Private Limited (Upto 6 Sept 2017) Gayatri Green Power Private Limited (Upto 6 Sept 2017) Beta Wind Farm (Andhra Pradesh) Private Limited	Gamma Green Power Private Limited Beta Wind Farm Private Limited Amrit Environmental Technologies Private Limited Orient Green Power (Europe), BV Statt Orient Energy Private Limited Biobijlee Green Power Limited Orient Green Power (Maharashtra) Private Limited SM Environmental Technologies Private Limited Global Powertech Equipments Private Limited PSR Green Power Projects Private Limited Shriram Powergen Private Limited Shriram Non-Conventional Energy Private Orient Bio Power Limited Orient Green Power Company (Rajasthan) Gayatri Green Power Private Limited Sanjog Sugars & Eco Power Private Limited Orient Eco Energy Limited
Associates to Ultimate Holding Company	Pallavi Power and Mines Limited (Refer Note 14(vi)) Pennant Penguin Dendro Power (Private) Limited	Pallavi Power and Mines Limited (Refer Note 14(vi)) Pennant Penguin Dendro Power (Private) Limited
Step down Subsidiaries to Ultimate Holding Company	VjetroElectrana Crno Brdo d.o.o, Croatia Orient Green Power d.o.o, Republic of Macedonia Beta Wind Farm (Andhra Pradesh) Private Limited	VjetroElectrana Crno Brdo d.o.o, Croatia Orient Green Power d.o.o, Republic of
Enterprises Exercising Significant Influence on the Company (EESI)	Shriram Industrial Holdings Limited Orient Green Power Pte Limited, Singapore	Shriram Industrial Holdings Limited Orient Green Power Pte Limited, Singapore
Key Management Personnel (KMP)	B.S.Sampath ,Whole Time Director K.Saminathan,Chief Financial Officer P.Srinivasan,Company Secretary	B.S.Sampath ,Whole Time Director K.Saminathan,Chief Financial Officer R.V.Suresh Babu, Company Secretary

Note: Related parties have been identified by the Management and relied upon by the auditors.

CLARION WIND FARM PRIVATE LIMITED
Notes to the financial statements for the year ended March 31, 2018
(All amounts are in Indian Rupees in Lakhs unless otherwise stated)

Details of Related Party Transactions during the year ended 31 March, 2018 and balances outstanding As at 31 March, 2018:

Nature of Transaction	Name of the party	Relationship	For the year ended 31 March, 2018	For the year ended 31 March, 2017
Income				
Interest Income	Gamma Green Power Private Limited	Subsidiary to Ultimate Holding Company	960.63	496.63
	Beta WindFarm Pvt Ltd	Subsidiary to Ultimate Holding Company	-	0.29
Expenses				
Interest expenses	Bharath Wind Farm Limited	Holding Company	1,506.57	1,097.53
	Orient Green Power Company Limited	Ultimate Holding Company	27.40	93.27
	Beta WindFarm Pvt Ltd	Subsidiary to Ultimate Holding Company	0.96	0.93
	Shasvatha Renewable Energy Limited	Entities Exercising Significant Influence (EESI)	-	47.15
Other Transactions				
Loans Taken	Shasvatha Renewable Energy Limited	Entities Exercising Significant Influence (EESI)	-	1,294.00
Loans repaid	Shasvatha Renewable Energy Limited	Entities Exercising Significant Influence (EESI)	-	1,341.15
			For the year ended 31 March, 2018	**For the year ended 31 March, 2017**
Assets as at Year End			**Rupees**	**Rupees**
Receivables	Gamma Green Power Private Limited	Subsidiary to Ultimate Holding Company	10,917.30	8,779.35
Liabilities as at Year End				
Long-Term Borrowings	Orient Green Power Company Limited	Ultimate Holding Company	1,351.67	920.83
	Bharath Wind Farm Limited	Holding Company	15,304.49	14,689.31
	Beta Wind Farm Pvt Ltd	Subsidiary to Ultimate Holding Company	1.86	15.58
Others				
Corporate Guarantees Given	Gamma Green Power Private Limited	Subsidiary to Ultimate Holding Company	2,500.00	4,000.00
	Orient Green Power Company Limited	Ultimate Holding Company	5,000.00	5,000.00
Corporate Guarantees taken	Bharath Wind Farm Limited	Holding Company	5,000.00	12,400.00
	Jointly Guarantors along with Bharath windfarm Ltd,Orient Green Power Company Ltd,Gamma Green Power Pvt Ltd.			

CLARION WIND FARM PRIVATE LIMITED
Notes to the financial statements for the year ended March 31, 2018
(All amounts are in Indian Rupees in Lakhs unless otherwise stated)

Note 33 (b) - Fair Value Measurement

This note provides information about how the Company determines fair value of various financial assets and liabilities.

(i) Fair value of the Company's financial assets and financial liabilities that are measured at fair value on a recurring basis

Some of the Company's financial assets and liabilities are measured at fair value at the end of each reporting period. The following table gives information about how the fair value of these financial assets and liabilities are determined :

Financial assets/Financial liabilities	Fair Value as at		Fair value hierarchy	Valuation technique(s) and key input(s)
	31-Mar-18	31-Mar-17		
1. Demeed equity classified as fair value through P&L	37.31	77.00	Level 3	Effective Interest rate method
2. Loans classified as fair value through P&L	9,783.86	8,523.14	Level 3	Effective Interest rate method
3. Other Financial Assets (Non current) classified as fair value through P&L	1,133.66	256.43	Level 3	Effective Interest rate method
5. Borrowings	18,166.95	17,693.55	Level 3	Effective Interest rate method
5. Other Financial liabilities (Non Current)	1,715.55	897.43	Level 3	Effective Interest rate method

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

The Company considers that the carrying amount of financial asset and financial liabilities recognised in the financial statements approximate the fair values.

Particulars	As at 31 March 2018		As at 31 March 2017	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Financial assets at amortised cost:				
Trade receivables	1,193.87	1,193.87	1,708.34	1,708.34
Loans to related parties	9,783.86	9,783.86	9,783.86	9,783.86
Other financial assets	1,133.66	1,133.66	256.43	256.43
Cash and bank balances	242.33	242.33	88.85	88.85
	12,353.72	**12,353.72**	**11,837.48**	**11,837.48**
Financial liabilities held at amortised cost :				
Trade payables	639.01	639.01	634.56	634.56
Other financial liabilities	1,257.86	1,257.86	5,508.42	5,508.42
	1,896.87	**1,896.87**	**6,142.98**	**6,142.98**

CLARION WIND FARM PRIVATE LIMITED
Notes to the financial statements for the year ended March 31, 2018
(All amounts are in Indian Rupees in Lakhs unless otherwise stated)

(iii) Fair value hierarchy as at 31 March 2018

Particulars	Level 1	Level 2	Level 3	Total
Financial assets at amortised cost:				
Trade receivables	-	-	1,193.87	1,193.87
Other financial assets	-	-	1,133.66	1,133.66
Cash and bank balances	242.33	-	-	242.33
Loans to related parties	-	-	9,783.86	9,783.86
Total	**242.33**	**-**	**12,111.39**	**12,353.72**
Financial liabilities held at amortised cost :				
Trade payables	-	-	639.01	639.01
Other financial liabilities	-	-	1,257.86	1,257.86
Total	**-**	**-**	**1,896.87**	**1,896.87**

(iv) Fair value hierarchy as at 31 March 2017

Particulars	Level 1	Level 2	Level 3	Total
Financial assets at amortised cost:				
Trade receivables	-	-	1,708.34	1,708.34
Other financial assets	-	-	256.43	256.43
Cash and bank balances	88.85	-	-	88.85
Loans to related parties	-	-	9,783.86	9,783.86
Interest receivable from related parties	-	-	-	-
Total	**88.85**	**-**	**11,748.63**	**11,837.48**
Financial liabilities held at amortised cost :				
Trade payables	-	-	634.56	634.56
Other financial liabilities	-	-	5,508.42	5,508.42
Total	**-**	**-**	**6,142.98**	**6,142.98**

CLARION WIND FARM PRIVATE LIMITED
Notes to the financial statements for the year ended March 31, 2018
(All amounts are in Indian Rupees in Lakhs unless otherwise stated)

34 Earnings Per Share

Particulars	For the year ended 31 March, 2018	For the year ended 31 March, 2017
Earnings per share		
Profit / (Loss) for the year - Rs.in lakhs	227.37	(954.47)
Weighted average number of equity shares - Numbers	3,59,94,610.00	3,59,94,610.00
Par value per share - Rupees	10.00	10.00
Earnings per share - Basic - Rupees	0.63	(2.65)
Earnings per share - Diluted - Rupees	0.63	(2.65)

35 Events after the Reporting period - Nil

36 The Board of Directors of the Company has reviewed the realisable value of all the current assets and has confirmed that the value of such assets in the ordinary course of business will not be less than the value at which these are recognized in the financial statements. In addition, the Board has also confirmed the carrying value of the non-current assets including long-term investments in the financial statements. The Board, duly taking into account all the relevant disclosures made, has approved these financial statements in its meeting held on **30th April, 2018.**

For Raghu & Gopal
Chartered Accountants
Frn no.003335S

For and on behalf of the Board of Directors

A Gopal
Partner
M.No : F 9035

B.S.Sampath
Whole- Time Director

K.V.Kasturi
Director
- DIN:00892075

K.Saminathan
Chief Financial Officer

P.Srinivasan
Company Secretary

Place : Chennai
Date: 30 April , 2018

Place : Chennai
Date: 30 April , 2018