

Dewan P.N. Chopra & Co.

Chartered Accountants

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INDEPENDENT AUDITOR'S REPORT

To the Members of Vinirrrmaa Energy Generation Private Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Vinirrrmaa Energy Generation Private Limited ("the Company"), which comprise the balance sheet as at 31st March 2019, and the statement of Profit and Loss, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, and loss, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibility of Management for 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 financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified 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 of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate implementation and maintenance of 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



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accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matter

The audited financial statements of the company for the corresponding period ended March 2018 included in these financial statements, have been audited by the predecessor auditors whose audit report dated May 16, 2018 expressed an unmodified opinion on those audited financial statements. Our opinion is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the "Annexure A" statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. As required by Section 143(3) of the Act, we report that:

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

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

(c) The Balance Sheet, the Statement of Profit and Loss, the Statement of changes in equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.

(d) In our opinion, the aforesaid financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

(e) On the basis of the written representations received from the directors as on 31st March, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.

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

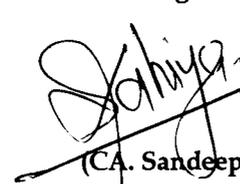
i. The Company does not have any pending litigations which would impact its financial position.



ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For Dewan P. N. Chopra & Co.
Chartered Accountants
Firm Regn. No. 000472N


(CA. Sandeep Dahiya)
Partner



Membership No. 505371

Place: New Delhi

Date: 15 May 2019

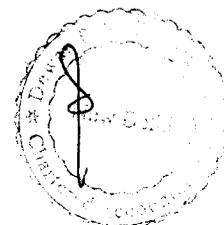
ANNEXURE-ATO THE INDEPENDENT AUDITORS' REPORT
(Referred to in paragraph - 1 under the heading of "Report on Other Legal and Regulatory Requirements" of our Report of even date.)

Based on the audit procedures performed for the purpose of reporting a true and fair view on the financial statements of the Company and taking into consideration the information and explanations given to us and the books of account and other records examined by us in the normal course of audit and to the best of our knowledge and belief, we report that:-

- (i) The company does not have fixed assets hence paragraph 3(i) of this order is not applicable.
- (ii) The company does not have inventory, hence paragraph 3(ii) of this order is not applicable.
- (iii) The company has not granted 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, hence paragraph 3(iii) of this order is not applicable.
- (iv) As the company does not have any loans, investments, guarantees, and securities standing as on 31st March, 2019 for the purpose of section 185 and 186 of the Companies Act, 2013, therefore paragraph 3(iv) is not applicable to the company.
- (v) The company has not accepted any deposits, hence the paragraph 3(v) of the order is not applicable.
- (vi) In our opinion, paragraph 3(vi) of the order is not applicable
- (vii) (a) On the basis of our examination of the records of the company, amounts deducted/accrued in the books of account in respect of undisputed statutory dues including provident fund, employees' state insurance, income-tax, goods and services tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues have generally been regularly deposited during the year by the company with the appropriate authorities, though there has been a slight delay in a few cases, to the extent applicable to it.

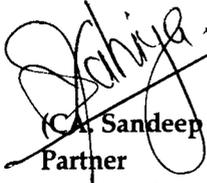
In our opinion, no undisputed amounts payable in respect of provident fund, income tax, goods and service tax, sales tax, value added tax, duty of customs, service tax, cess and other material statutory dues were in arrears as at 31 March 2019 for a period of more than six months from the date they became payable.

(b) On the basis of our examination of the books of accounts and records, there is no dues of income tax or sales tax or service tax or duty of customs or duty of excise or value added tax or cess which have not been deposited on account of any dispute.
- (viii) On the basis of our examination of the books of accounts and records and in our opinion, there is no default in repayment of loans or borrowings to a financial institution, bank, government or dues to debenture holders.
- (ix) In our opinion the Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans raised during the year have been applied for the purpose for which they were obtained.



- (x) In our opinion, no material fraud by the company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- (xi) The company is a private limited company. Accordingly the provisions of section 197 read with schedule V to the Companies Act are not applicable on the company. Accordingly, paragraph 3(xi) of the order is not applicable.
- (xii) In our opinion, the Company is not a nidhi company. Hence, paragraph 3(xii) of the Order is not applicable.
- (xiii) Based on our examination of the records of the Company and in our opinion, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) Based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- (xv) Based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him.
- (xvi) Based on our examination of the records of the Company, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

For Dewan P. N. Chopra & Co.
Chartered Accountants
Firm Regn. No. 000472N


(CA Sandeep Dahiyaa)
Partner
Membership No. 505371



Place: New Delhi

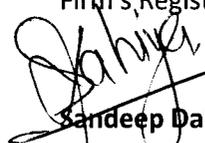
Date: 15 May 2019

Vinirrrmaa Energy Generation Private Limited
CIN: U40109TG2007PTC056146
Balance Sheet as at 31 March 2019

Particulars	Note No.	(Rs. in Lakh)	
		As at 31 March 2019	As at 31 March 2018
ASSETS			
Non-current assets			
(a) Income tax assets (net)	5	5.63	5.63
(b) Other non-current assets	6	0.36	0.29
(c) Financial assets			
(i) Other Non-current financial Assets	7	1.23	1.16
Total Non - current assets		7.22	7.08
Current assets			
(a) Financial assets			
(i) Trade receivables	8	157.00	157.22
(ii) Cash and cash equivalents	9	1.24	2.61
Total current assets		158.24	159.83
Total assets		165.46	166.91
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	10	5.00	5.00
(b) Other equity	11	(118.51)	(96.62)
Total equity		(113.51)	(91.62)
LIABILITIES			
Current liabilities			
(a) Financial liabilities			
(i) Borrowings	12	170.47	165.40
(ii) Other financial liabilities	13	106.46	88.39
(b) Other current liabilities	14	2.04	4.74
Total current liabilities		278.97	258.53
Total equity and liabilities		165.46	166.91

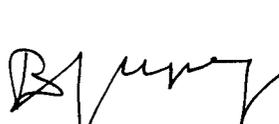
The accompanying notes are an integral part of the financial statements
As per our report of even date attached

For Dewan P.N. Chopra & Co.
Chartered Accountants
Firm's Registration No. 000472N


Sandeep Dahiya
Partner
Membership No. 505371
Place: Delhi
Date: 15 May 2019



For Vinirrrmaa Energy Generation Private Limited


Bhupesh Juneja
Director
DIN: 03526996
Place: Noida
Date: 15 May 2019


Vineet Davis
Director
DIN: 06709239

Vinirrrmaa Energy Generation Private Limited

CIN: U40109TG2007PTC056146

Statement of Profit and Loss for the year ended 31 March 2019

Particulars	Note No.	(Rs. in Lakh)	
		Year ended 31 March 2019	Year ended 31 March 2018
Other income	15	0.08	12.87
Total income		0.08	12.87
Expenses			
Finance costs	16	20.39	46.35
Other expenses	17	1.58	2.51
Total expenses		21.97	48.86
Loss for the year		(21.89)	(35.99)
Other Comprehensive Income		-	-
Total comprehensive income for the year (Comprising loss and other comprehensive income for the year)		(21.89)	(35.99)
Basic and Diluted Loss per equity share of Rs. 10 each (in Rs.)	26	(43.78)	(71.98)

The accompanying notes are an integral part of the financial statements
As per our report of even date attached

For Dewan P.N. Chopra & Co.

Chartered Accountants

Firm's Registration No. 000472N


Sandeep Dahiya
Partner
Membership No. 505371
Place: Delhi
Date: 15 May 2019

**For Vinirrrmaa Energy Generation Private Limited****Bhupesh Juneja**

Director

DIN: 03526996

Place: Noida

Date: 15 May 2019

**Vineet Davis**

Director

DIN: 06709239

Vinirrrmaa Energy Generation Private Limited
CIN: U40109TG2007PTC056146
Statement of Cash Flows for the year ended 31 March 2019

(Rs. in Lakh)

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Cash flows from operating activities		
Loss for the year	(21.89)	(35.99)
Adjustments for:		
Interest income	(0.08)	(12.87)
Finance costs	20.39	46.35
Operating loss before working capital changes	(1.58)	(2.51)
Movements in working capital:		
Other non-current assets	(0.07)	0.55
Trade receivables	0.22	-
Other financial liabilities	18.07	42.27
Other current liabilities	(2.70)	(21.25)
Cash used in operations	13.94	19.06
Income taxes paid	-	(1.33)
Net cash used in operating activities	13.94	17.73
Cash flows from investing activities		
Movement in bank deposits	(0.07)	296.14
Interest received	0.08	12.87
Net cash generated from/(used in) investing activities	0.01	309.01
Cash flows from financing activities		
Inter-corporate deposit received	5.27	27.68
Inter-corporate deposit repaid	(0.20)	(308.00)
Finance cost	(20.39)	(46.35)
Net cash generated from/(used in) financing activities	(15.32)	(326.67)
Net increase in cash and cash equivalents	(1.37)	0.07
Cash and cash equivalents at the beginning of the year	2.61	2.54
Cash and cash equivalents at the end of the year	1.24	2.61

Changes in liabilities arising from financing activities during the year ended 31 March 2019:

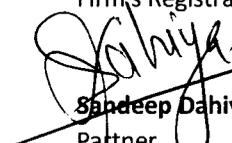
Particulars	(Rs. in Lakh)
	Current borrowings
Opening Balance	252.65
Cash Inflows	5.27
Cash Outflows	(0.20)
Interest expense	20.39
Interest paid	(2.03)
Closing Balance	276.08

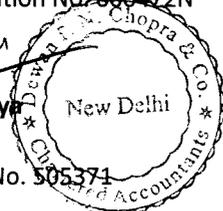
Notes:

- The above statement of cash flows has been prepared under the Indirect method as per Ind AS 7 : Statement of Cash Flows
 - Components of cash and cash equivalents are as per note 9.
 - The accompanying notes are an integral part of the financial statements
- As per our report of even date attached

For Dewan P.N. Chopra & Co.

Chartered Accountants
Firm's Registration No. 009472N


Sandeep Dahiya
Partner
Membership No. 505371
Place: Delhi
Date: 15 May 2019



For Vinirrrmaa Energy Generation Private Limited



Bhupesh Juneja
Director
DIN: 03526996
Place: Noida



Vineet Davis
Director
DIN: 06709239

Date: 15 May 2019

Vinirrrmaa Energy Generation Private Limited

CIN: U40109TG2007PTC056146

Statement of Changes in Equity for the year ended 31 March 2019

A. Equity share capital

(Rs. in Lakh)

Balance as at 1 April 2017	5.00
Changes in equity share capital during the year	-
Balance as at 31 March 2018	5.00
Changes in equity share capital during the year	-
Balance as at 31 March 2019	5.00

B. Other Equity

(Rs. in Lakh)

Reserves & Surplus - Retained Earnings	
Balance as at 1 April 2017	(60.63)
Loss for the year	(35.99)
Total comprehensive income for the year	(35.99)
Balance as at 31 March 2018	(96.62)
Loss for the year	(21.89)
Total comprehensive income for the year	(21.89)
Balance as at 31 March 2019	(118.51)

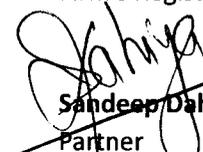
The accompanying notes are an integral part of the financial statements.

As per our report of even date attached

For Dewan P.N. Chopra & Co.

Chartered Accountants

Firm's Registration No. 000472N


Sandeep Dahya
Partner
Membership No: 505371



Place: Delhi

Date: 15 May 2019

For Vinirrrmaa Energy Generation Private Limited



Bhupesh Juneja

Director

DIN: 03526996

Place: Noida

Date: 15 May 2019



Vineet Davis

Director

DIN: 06709239

Vinirrrmaa Energy Generation Private Limited
Notes to the financial statements for the year ended 31 March 2019

1. Company information

Vinirrrmaa Energy Generation Private Limited (the "Company") is engaged in the business of providing wind farm development services and also provides common infrastructure and Erection, Procurement and Commissioning (EPC) services for wind turbine generators (WTGs). The Company is a wholly owned subsidiary of Inox Wind Infrastructure Services Limited which is a subsidiary of Inox Wind Limited (IWL). IWL is a subsidiary of Gujarat Fluorochemicals Limited and the ultimate holding company is Inox Leasing and Finance Limited. The area of operations of the Company is within India.

Flat No 303, Meenakshi Avenue, Plot No.120,121,122 &123, Cyber Village, Bikshapathi Nagar, Kondapur Hyderabad Rangareddi TG 500084, India.

2. Statement of compliance and basis of preparation and presentation

2.1 Statement of Compliance

These financial statements of the Company comply in all material aspects with the Indian Accounting Standards ("Ind AS") notified under section 133 of the Companies Act, 2013 ("the Act") and other relevant provisions of the Act.

2.2 Basis of Measurement

These financial statements are presented in Indian Rupees (INR), which is also the Company's functional currency. All amounts have been rounded-off to the nearest lakhs, unless otherwise indicated.

These financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the significant accounting policies.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

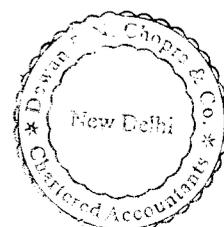
Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair 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. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis.

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:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- 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
- Level 3 inputs are unobservable inputs for the asset or liability.

2.3 Basis of Preparation and Presentation

Effective 1 April 2016, the Company has adopted all the Ind AS Standards and the adoption was carried out in accordance with Ind AS 101 'First time adoption of Indian Accounting Standards', with 1 April 2015 as the



Vinirrrmaa Energy Generation Private Limited
Notes to the financial statements for the year ended 31 March 2019

Accounting policies have been consistently applied except where a newly issued accounting standard initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

Going Concern

The accumulated losses of the Company have fully eroded the Shareholder's funds, the Company has incurred net cash losses during the current year and preceding year and the Company's current liabilities exceed its current assets as at the balance sheet date. In view of the continuing financial and other support by the holding company the financial statements of the Company are prepared on going concern basis.

The financial statements have been prepared on accrual basis. The accounting policies are applied consistently to all the periods presented in the financial statements.

Any asset or liability is classified as current if it satisfies any of the following conditions:

- the asset/liability is expected to be realized/settled in the Company's normal operating cycle;
- the asset is intended for sale or consumption;
- the asset/liability is held primarily for the purpose of trading;
- the asset/liability is expected to be realized/settled within twelve months after the reporting period
- the asset is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date;
- in the case of a liability, the Company does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

All other assets and liabilities are classified as non-current.

For the purpose of current/non-current classification of assets and liabilities, the Company has ascertained its normal operating cycle as twelve months. This is based on the nature of products or services and the time between the acquisition of assets or inventories for processing and their realisation in cash and cash equivalents.

These financial statements were authorized for issue by the Company's Board of Directors on.....15 May 2019.....

3. Significant Accounting Policies

3.1 Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable and is recognised when it is probable that the economic benefits associated with the transaction will flow to the Company and the amount of income can be measured reliably. Revenue is reduced for rebates, trade discounts, refunds and other similar allowances. Revenue is net of goods & service tax, sales tax, value added tax and other similar taxes.

3.1.1 Rendering of services

Revenue from services rendered is recognised in profit or loss in proportion to the stage of completion of transaction at the reporting date and when the costs incurred for the transactions and the costs to complete the transaction can be measured reliably. The stage of completion is assessed by reference to surveys of work performed.

Revenue from EPC is recognised on the basis of stage of completion by reference to surveys of work performed. Revenue from wind farm development is recognised when the wind farm site is developed and transferred to the customers in terms of the respective contracts. Revenue from common infrastructure facilities is recognized pro-rata over the period of the contract as per the terms of contract.



Vinirrrmaa Energy Generation Private Limited
Notes to the financial statements for the year ended 31 March 2019

3.1.2 Other income

Interest income from a financial asset is recognised on time basis, by reference to the principal outstanding at the effective interest rate applicable, which is the rate which exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

3.2 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

3.3 Taxation

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

3.3.1 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, items that are never taxable or deductible and tax incentives. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

3.3.2 Deferred tax

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

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

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

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.



Vinirrrmaa Energy Generation Private Limited
Notes to the financial statements for the year ended 31 March 2019

3.3.3 Presentation of current and deferred tax:

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

The Company offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously. In case of deferred tax assets and deferred tax liabilities, the same are offset if the Company has a legally enforceable right to set off corresponding current tax assets against current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority on the Company.

3.4 Inventories

Inventories are valued at lower of the cost and net realisable value. Cost is determined using weighted average cost basis.

Cost of inventories comprises all costs of purchase, duties and taxes (other than those subsequently recoverable from tax authorities) and all other costs incurred in bringing the inventory to their present location and condition. Cost of work-in-progress includes the cost of materials, conversion costs, an appropriate share of fixed and variable overheads and other costs incurred in bringing the inventories to their present location and condition.

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

3.5 Provisions and contingencies

The Company recognizes provisions when a present obligation (legal or constructive) as a result of a past event exists and it is probable that an outflow of resources embodying economic benefits will be required to settle such obligation and the amount of such obligation can be reliably estimated.

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. If the effect of time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not require an outflow of resources embodying economic benefits or the amount of such obligation cannot be measured reliably.

When there is a possible obligation or a present obligation in respect of which likelihood of outflow of resources embodying economic benefits is remote, no provision or disclosure is made.

