S.R. BATLIBOI & Co. LLP
Chartered Accountants

2nd & 3rd Floor
Golf View Corporate Tower - B
Sector - 42, Sector Road
Gurugram - 122 002, Haryana, India
Tel : +91 124 681 6000

INDEPENDENT AUDITOR'S REPORT

To the Members of Aalok Solarfarms Limited

Report on the Audit of the Ind AS Financial Statements

Opinion

We have audited the accompanying Ind AS financial statements of Aalok Solarfarms Limited ("the Company"), which comprise the Balance sheet as at March 31, 2019, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and 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 Ind AS financial statements give the information required by the Companies Act, 2013, as amended ("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, its loss including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the Ind AS financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Ind AS 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 Act 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 audit opinion on the Ind AS financial statements.

Other Information

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Director's report, but does not include the Ind AS financial statements and our auditor's report thereon. The Director's report is expected to be made available to us after the date of this auditor's report.

Our opinion on the Ind AS financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Ind AS financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether such other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. When we read the Director's report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to Board of directors.

Responsibility of Management for the Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of 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) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial 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.

In preparing the Ind AS 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.

The Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the Ind AS 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 Ind AS 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 Ind AS 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. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place 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 Ind AS financial statements, including the disclosures, and whether the Ind AS 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.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act based on our audit, we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:

   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the 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 the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;

   (d) In our opinion, the aforesaid Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;

   (e) On the basis of the written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 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 with reference to these Ind AS financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;

   (g) The provisions of section 197 read with Schedule V of the Act are not applicable to the Company for the year ended March 31, 2019;

S.R. BATLIBOI & CO. LLP * GURUGRAM

(h) 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 does not have any pending litigations which would impact its financial position;

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

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

For **S.R. Batliboi & Co. LLP**
Chartered Accountants
ICAI Firm Registration Number: 301003E/E300005

per Amit Chugh
Partner
Membership Number: 505224
Place of Signature: Gurugram
Date: May 10, 2019

Annexure 1 referred to in paragraph 1 of our report of even date under section 'Report on other legal and regulatory requirements'

Re: Aalok Solarfarms Limited ("the Company")

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

(b) Fixed assets have been physically verified by the management during the year and no material discrepancies were identified on such verification.

(c) According to the information and explanations given by the management, there are no immovable properties, included in property, plant and equipment of the company and accordingly, the requirements under paragraph 3(i)(c) of the Order are not applicable to the Company.

(ii) The Company's business does not involve inventories and, accordingly, the requirements under paragraph 3(ii) of the Order are not applicable to the Company.

(iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3(iii) (a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.

(iv) In our opinion and according to the information and explanations given to us, provisions of section 185 of the Companies Act 2013 in respect of loans to directors including entities in which they are interested and in respect of loans and advances given, investments made and, guarantees, and securities given have been complied with by the company. Further, since the Company is an infrastructure company within the meaning of Schedule VI of the Companies Act, 2013, the provision of section 186 of the Companies Act, 2013 is not applicable.

(v) The Company has not accepted any deposits from the public.

(vi) To the best of our knowledge and as explained, the provisions of clause 3(vi) of the Order are not applicable to the Company.

(vii) (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including income-tax, goods and service tax, cess and other statutory dues applicable to it. The provisions relating to provident fund, employees' state insurance, sales-tax, service tax, duty of custom, duty of excise and value added tax are not applicable to the Company.

(b) According to the information and explanations given to us, no undisputed amounts payable in respect of income-tax, goods and service tax, cess and other statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.

(c) According to the information and explanations given to us, there are no dues of income-tax, goods and service tax, cess and other statutory dues, which have not been deposited on account of any dispute.

(viii) In our opinion and according to the information and explanations given by the management, the Company has not defaulted in repayment of loans or borrowing to a financial institution, bank or government or dues to debenture holders.

(ix) In our opinion and according to the information and explanations given by the management, the Company has utilized the monies raised by way of term loans for the purposes for which they were raised. The Company has not raised any money way of initial public offer / further public offer / debt instruments.

(x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud by the company or no fraud on the company by the officers and employees of the Company has been noticed or reported during the year.

(xi) According to the information and explanations given by the management, the provisions of section 197 read with Schedule V of the Act are not applicable to the company and hence reporting under clause 3(xi) are not applicable and hence not commented upon.

(xii) In our opinion, the Company is not a nidhi company. Therefore, the provisions of clause 3(xii) of the order are not applicable to the Company and hence not commented upon.

(xiii) According to the information and explanations given by the management, transactions with the related parties are in compliance with section 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards. The provisions of sec 177 are not applicable to the company and accordingly reporting under clause 3(xiii) insofar as it relates to section 177 of the Act is not applicable to the Company and hence not commented upon.

(xiv) According to the information and explanations given to us and on an overall examination of the balance sheet, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence, reporting requirements under clause 3(xiv) are not applicable to the company and, not commented upon.

(xv) According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in section 192 of Companies Act, 2013.

(xvi) According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

For **S.R. Batliboi & Co. LLP**
Chartered Accountants
ICAI Firm Registration Number: 301003E/E300005

per **Amit Chugh**
Partner
Membership Number: 505224

Place of Signature: Gurugram
Date: May 10, 2019

Annexure 2 to the Independent Auditor's Report of even date on the financial statements of Aalok Solarfarms Limited

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

We have audited the internal financial controls over financial reporting of Aalok Solarfarms Limited ("the Company") as of March 31, 2019 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's responsibility for Internal Financial Controls

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

Auditor's responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting with reference to these Ind AS financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing as specified under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting with reference to these Ind AS financial statements 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 with reference to these Ind AS financial statements and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting with reference to these Ind AS financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting with reference to these Ind AS financial statements.

S.R. BATLIBOI & CO. LLP * GURUGRAM *

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting with reference to these Ind AS financial statements, 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 with reference to these Ind AS financial statements to future periods are subject to the risk that the internal financial control over financial reporting with reference to these Ind AS financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting with reference to these Ind AS financial statements and such internal financial controls over financial reporting with reference to these Ind AS financial statements were operating effectively as at March 31, 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **S.R. Batliboi & Co. LLP**
Chartered Accountants
ICAI Firm Registration Number: 301003E/E300005

per **Amit Chugh**
Partner
Membership Number: 505224

Place of Signature: Gurugram
Date: May 10, 2019

Aalok Solarfarms Limited
Balance Sheet as at 31 March 2019
(Amounts in INR thousands, unless otherwise stated)

	Notes	As at 31 March 2019	As at 31 March 2018
Assets			
Non-current assets			
Property, plant and equipment	4	654,564	682,278
Financial assets			
Loans	5	1,151	243
Prepayments	7	28,593	23,639
Other non-current assets	8	120	240
Total non-current assets		**684,428**	**706,400**
Current assets			
Financial assets			
Trade receivables	9	17,455	-
Cash and cash equivalent	10	2,400	24,281
Bank balances other than cash and cash equivalent	10	-	21,900
Loans	5	36,900	-
Others	5	331	11,744
Prepayments	7	2,604	2,024
Other current assets	8	69	-
Current tax assets (net)		2,457	232
Total current assets		**62,216**	**60,181**
Total assets		**746,644**	**766,581**
Equity and liabilities			
Equity			
Equity share capital	11A	46,650	46,650
Other equity			
Equity component of compulsorily convertible debentures	11B	18,252	18,252
Retained earnings	12A	1,743	3,189
Total equity		**66,645**	**68,091**
Non-current liabilities			
Financial liabilities			
Long-term borrowings	13	638,427	628,192
Deferred tax liabilities (net)	6	3,911	4,755
Other non-current liabilities	14	512	125
Total non-current liabilities		**642,850**	**633,072**
Current liabilities			
Financial liabilities			
Trade payables			
Outstanding dues to micro enterprises and small enterprises	15	-	-
Others	15	6,131	4,025
Other current financial liabilities	16	30,702	61,297
Other current liabilities	17	316	96
Total current liabilities		**37,149**	**65,418**
Total liabilities		**679,999**	**698,490**
Total equity and liabilities		**746,644**	**766,581**

Summary of significant accounting policies 3.1

The accompanying notes are an integral part of the financial statements

As per our report of even date

For S.R. Batliboi & Co. LLP
ICAI Firm Registration No.: 301003E/E300005
Chartered Accountants

per Amit Chugh
Partner
Membership No.: 505224
Place: Gurugram
Date: 10 May 2019

S.R. BATLIBOI & CO. LLP GURUGRAM

For and on behalf of the Aalok Solarfarms Limited

Director
(Bharat Bahl)
DIN- 07644015
Place: Gurugram
Date: 10 May 2019

Director
(Pawan Kumar Gupta)
DIN- 07700845
Place: Gurugram
Date: 10 May 2019

Aalok Solarfarms Limited

Aalok Solarfarms Limited
Statement of Profit and Loss for the year ended 31 March 2019
(Amounts in INR thousands, unless otherwise stated)

	Notes	For the year ended 31 March 2019	For the year ended 31 March 2018
Income:			
Revenue from operations	18	114,750	39,076
Other income	19	3,067	3,945
Total income		**117,817**	**43,021**
Expenses:			
Other expenses	20	14,486	5,611
Total expenses		**14,486**	**5,611**
Earning before interest, tax, depreciation and amortization (EBITDA)		**103,331**	**37,410**
Depreciation expense	21	27,714	10,556
Finance costs	22	74,519	25,436
Profit before tax		**1,098**	**1,418**
Tax expense			
Current tax	6	2,431	270
Deferred tax	6	(844)	(2,521)
Tax for earlier years		957	-
Profit/(loss) for the year	**(a)**	**(1,446)**	**3,669**
Other comprehensive income (OCI)	**(b)**	-	-
Total comprehensive income for the year	**(a) + (b)**	**(1,446)**	**3,669**
Earnings per share:			
(face value per share: INR 10)			
(1) Basic	23	(0.31)	0.88
(2) Diluted		(0.31)	0.49
Summary of significant accounting policies	3.1		

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

For S.R. Batliboi & Co. LLP
ICAI Firm Registration No.: 301003E/E300005
Chartered Accountants

per Amit Chugh
Partner
Membership No.: 505224
Place: Gurugram
Date: 10 May 2019

S.R. BATLIBOI & CO. LLP GURUGRAM

For and on behalf of the Aalok Solarfarms Limited

Director
(Bharat Bahl)
DIN- 07644015
Place: Gurugram
Date: 10 May 2019

Director
(Pawan Kumar Gupta)
DIN- 07700845
Place: Gurugram
Date: 10 May 2019

Aalok Solarfarms Limited

Aalok Solarfarms Limited
Statement of Cash Flows for the year ended 31 March 2019
(Amounts in INR thousands, unless otherwise stated)

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Cash flow from operating activities		
Profit before tax	1,098	1,418
Adjustments for:		
Depreciation expense	27,714	10,556
Interest income	(3,067)	(3,945)
Interest expense	73,807	25,436
Operating profit before working capital changes	**99,552**	**33,465**
Movement in working capital		
(Increase)/decrease in trade receivables	(5,998)	-
(Increase)/decrease in other current assets	(69)	(1,308)
(Increase)/decrease in other current financial assets	(13)	44
(Increase)/decrease in prepayments	(5,534)	-
(Increase)/decrease in other non-current financial assets	(908)	(11,744)
(Increase)/decrease in other non-current assets	120	(18,291)
Increase/(decrease) in other current liabilities	219	96
Increase/(decrease) in other non current liabilities	387	125
Increase/(decrease) in trade payables	2,106	6,774
Increase/(decrease) in other current financial liabilities	-	(63)
Cash generated from operations	**89,862**	**9,098**
Direct taxes paid (net of refunds)	(5,613)	(503)
Net cash generated from operating activities	**84,249**	**8,595**
Cash flow from investing activities		
Purchase of Property, Plant and Equipment including capital work in progress, capital creditors and capital advances	(39,296)	(623,665)
Net (Investments)/Redemption of bank deposits having residual maturity more than 3 months	21,900	(21,900)
Loan given to related parties	(36,900)	-
Interest received	3,036	3,658
Net cash used in investing activities	**(51,260)**	**(641,907)**
Cash flow from financing activities		
Proceeds from issue of equity shares (including premium) (net of share issue expenses)	-	32,913
Proceeds from long-term borrowings	25,446	586,827
Repayment of long-term borrowings	(20,674)	-
Interest paid	(59,642)	(20,763)
Net cash generated from/(used in) financing activities	**(54,870)**	**598,977**
Net (decrease) / increase in cash and cash equivalents	**(21,881)**	**(34,335)**
Cash and cash equivalents at the beginning of the year	**24,281**	**58,616**
Cash and cash equivalents at the end of the year	**2,400**	**24,281**
Components of cash and cash equivalents		
Balances with banks:		
- On current accounts	2,400	7,703
- On deposit accounts with original maturity of less than 3 months	-	16,578
Total cash and cash equivalents (note 10)	**2,400**	**24,281**

Changes in liabilities arising from financing activities

Particulars	Opening balance as at 1 April 2018	Cash flows (net)	Other changes*	Closing balance as at 31 March 2019
Long-term borrowings (including current maturities and net of ancillary borrowings cost incurred)	647,442	4,772	14,166	666,380
Total liabilities from financing activities	**647,442**	**4,772**	**14,166**	**666,380**

S.R. BATLIBOI & CO. LLP * GURUGRAM *

Aalok Solarfarms Limited *

Particulars	Opening balance as at 1 April 2017	Cash flows (net)	Other changes*	Closing balance as at 31 March 2018
Long-term borrowings (including current maturities and net of ancillary borrowings cost incurred)	61,648	586,827	(1,033)	647,442
Total liabilities from financing activities	**61,648**	**586,827**	**(1,033)**	**647,442**

* other changes includes ancillary borrowing cost.

Summary of significant accounting policies 3.1

Notes:

1. The cash flow statement has been prepared under the indirect method as set out in the Ind AS 7 "Statement of Cash Flows".

The accompanying notes are an integral part of the financial statements

As per our report of even date

For S.R. Batliboi & Co. LLP
ICAI Firm Registration No.: 301003E/E300005
Chartered Accountants

per Amit Chugh
Partner
Membership No.: 505224
Place: Gurugram
Date: 10 May 2019

S.R. BATLIBOI & CO. LLP GURUGRAM

For and on behalf of the Aalok Solarfarms Limited

Director
(Bharat Bahl)
DIN- 07644015
Place: Gurugram
Date: 10 May 2019

Director
(Pawan Kumar Gupta)
DIN- 07700845
Place: Gurugram
Date: 10 May 2019

Aalok Solarfarms Limited

Aalok Solarfarms Limited

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

(Amounts in INR thousands, unless otherwise stated)

Particulars	Attributable to the equity holders of the Company			Total equity
	Equity share capital	Equity component of compulsorily convertible debentures	Reserves and Surplus Retained earnings	
	(refer note 11A)	(refer note 11B)	(refer note 12A)	
At 1 April 2017	**13,737**	**8,996**	**(480)**	**22,253**
Profit for the year	-	-	3,669	3,669
Total comprehensive income	-	-	**3,669**	**3,669**
Equity shares issued during the year	32,913	-	-	32,913
Equity component of compound financial instruments (net of deferred taxes)	-	9,256	-	9,256
At 31 March 2018	**46,650**	**18,252**	**3,189**	**68,091**
Loss for the year	-	-	(1,446)	(1,446)
Total Comprehensive Income	-	-	**(1,446)**	**(1,446)**
At 31 March 2019	**46,650**	**18,252**	**1,743**	**66,645**

The accompanying notes are an integral part of the financial statements

As per our report of even date

For S.R. Batliboi & Co. LLP
ICAI Firm Registration No.: 301003E/E300005
Chartered Accountants

per Amit Chugh
Partner
Membership No.: 505224
Place: Gurugram
Date: 10 May 2019

S.R. BATLIBOI & CO. LLP GURUGRAM

For and on behalf of the Aalok Solarfarms Limited

Director
(Bharat Bahl)
DIN- 07644015
Place: Gurugram
Date: 10 May 2019

Director
(Pawan Kumar Gupta)
DIN- 07700845
Place: Gurugram
Date: 10 May 2019

Aalok Solarfarms Limited

1 General information

Aalok Solarfarms Limited ('the Company') is a public limited company domiciled in India.The registered office of the Company is located at 'Suzlon', 5, Shrimali Society, Near Shri Krishna Complex, Navrangpura, Ahmedabad Ahmedabad Gujarat-380009. The Company is carrying out business activities relating to generation of power through non-conventional and renewable energy sources.

The Financial Statements of the Company were authorised for issue by the Company's Board of Directors on 10 May 2019.

2 Basis of preparation

The Company prepared its Financial Statements as per Ind AS prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015, as amended. The Financial Statements have been prepared using presentation and disclosure requirements of the Schedule III of Companies Act, 2013.

The Financial Statements have been prepared on a historical cost basis, except for the following assets and liabilities which have been measured at fair value:

- Derivative financial instruments
- Financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments)

3.1 Summary of Significant Accounting Policies

a) Current versus non-current classification

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

An asset is treated as current when it is:
- Expected to be realised or intended to sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalents unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is treated as current when it is:
- Expected to be settled in normal operating cycle
- Held primarily for the purpose of trading
- Due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

All other liabilities are classified as non-current.

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

The operating cycle is the time between the acquisition of assets for processing and their realisation/settlement in cash and cash equivalents. The company has identified twelve months as their operating cycle for classification of their current assets and liabilities.

b) Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

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

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. The fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

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

All assets and liabilities for which fair value is measured in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:
- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

S.R. BATLIBOI & CO. LLP GURUGRAM

Aalok Solarfarms Limited

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy. (Refer Note 27 and 28).

At each reporting date, the management of the Company analyses the movements in the values of assets and liabilities which are required to be remeasured or re-assessed as per the accounting policies of the Company.

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

This note summarises the accounting policy for determination of fair value. Other fair value related disclosures are given in the relevant notes as following:

- Disclosures for significant estimates and assumptions (Refer Note 30)
- Quantitative disclosures of fair value measurement hierarchy (Refer Note 28)
- Financial instruments (including those carried at amortised cost) (Refer Note 27)

c) Revenue recognition

Revenue from contracts with customers

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. The Company has generally concluded that it is the principal in its revenue arrangements, because it typically controls the goods or services before transferring them to the customer.

Sale of Power

Income from supply of power is recognized on the supply of units generated from the plant to the grid, as per the terms of the Power Purchase Agreements ("PPA") entered into with the customers.
The Company considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated. In determining the transaction price for the sale of power, the Company considers the effects of variable consideration and consideration payable to the customer (if any).

(i) Variable consideration

If the consideration in a contract includes a variable amount, the Company estimates the amount of consideration to which it will be entitled in exchange for transferring the goods or service to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

(ii) Consideration payable to customers

In some PPAs, Company has to pay consideration to customers. Consideration payable to customers are offset against the revenue recognised as and when sale of power occurs.

Dividend

Dividend income is recognised when the right of the Company to receive dividend is established by the reporting date.

Interest income

For all debt instruments measured either at amortised cost or at fair value through other comprehensive income, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability. When calculating the effective interest rate, the company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses. Interest income is included in finance income in the Statement of Profit and Loss.

d) Foreign currencies

The Company Financial Statements are presented in Indian rupees (INR), which is also the functional currency and the currency of the primary economic environment in which the Company operate.

Transactions and balances

Transactions in foreign currencies are initially recorded by the company at their functional currency spot rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Exchange differences arising on settlement or translation of monetary items are recognised in profit or loss with the exception of the following:
- Exchange differences arising on monetary items that are designated as part of the hedge of the Group's net investment of a foreign operation. These are recognised in OCI until the net investment is disposed of, at which time, the cumulative amount is reclassified to profit or loss.
- Tax charges and credits attributable to exchange differences on those monetary items are also recorded in OCI.

S.R. BATLIBOI & CO. LLP * GURUGRAM *

Aalok Solarfarms Limited *

e) Taxes

Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in India. Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate. Current income tax assets and liabilities are offset if a legally enforceable right exists to set off these.

Deferred Tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax liabilities are recognised for all taxable temporary differences.
Deferred tax liabilities are recognised for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised. The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

In situations where company is entitled to a tax holiday under the Income-tax Act, 1961, enacted in India, no deferred tax (asset or liability) is recognized in respect of temporary differences which reverse during the tax holiday period. Deferred taxes in respect of temporary differences which reverse after the tax holiday period are recognized in the year in which the temporary differences originate. However, the company restrict the recognition of deferred tax assets to the extent that it has become reasonably certain that sufficient future taxable income will be available against which such deferred tax assets can be realized.

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

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

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

Minimum Alternate Tax

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax. Accordingly, MAT is recognised as an asset in the Balance Sheet when it is probable that future economic benefit associated with it will flow to the Company.

f) Property, plant and equipment

Capital work-in-progress, plant and equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the plant and equipment if the recognition criteria are met. When significant parts of plant and equipment are required to be replaced at intervals, the company depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred.

Subsequent Costs

The cost of replacing a part of an item of property, plant and equipment is recognised in the carrying amount of the item of property, plant and equipment, if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably with the carrying amount of the replaced part getting derecognised. The cost for day-to-day servicing of property, plant and equipment are recognised in Statement of Profit and Loss as and when incurred.

Derecognition

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is derecognised.

Gains or losses arising from de-recognition of PPE are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

S.R. BATLIBOI & CO. LLP GURUGRAM

Aalok Solarfarms Limited

i) Depreciation of property, plant and equipments

Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets as follows:

Category	Life
Plant and equipment (solar power projects)*	25

* Based on an external technical assessment, the management believes that the useful lives as given above and residual value of 0%, best represents the period over which management expects to use its assets and its residual value. The useful life of plant and equipment is different from the useful life as prescribed under Part C of Schedule II of Companies Act, 2013.

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

j) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale. Borrowing costs consist of interest, discount on issue, premium payable on redemption and other costs that an entity incurs in connection with the borrowing of funds (this cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs). The borrowing costs are amortised basis the Effective Interest Rate (EIR) method over the term of the loan. The EIR amortisation is recognised under finance costs in the Statement of Profit or Loss. The amount amortized for the period from disbursement of borrowed funds upto the date of capitalization of the qualifying assets is added to cost of the qualifying assets.

k) Leases

As a lessee

Operating lease payments are recognised as an expense in the statement of profit and loss on a straight-line basis over the lease term

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

l) Impairment of non-financial assets

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

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. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Company bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Company's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year. To estimate cash flow projections beyond periods covered by the most recent budgets/forecasts, the Company extrapolates cash flow projections in the budget using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified. In any case, this growth rate does not exceed the long-term average growth rate for the products, industries, or country or countries in which the entity operates, or for the market in which the asset is used.

Impairment losses of continuing operations, including impairment on inventories, are recognised in the statement of profit and loss.

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the company estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the Statement of Profit or Loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as an increase in revaluation.

m) Provisions

Provisions are recognised when the company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the Statement of Profit and Loss net of any reimbursement.

If the effect of the 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.

S.R. BATLIBOI & CO. LLP * GURUGRAM *

Aalok Solarfarms Limited *

n) Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

Initial recognition and measurement

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

Subsequent measurement

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

Debt instruments at amortised cost

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

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

Debt instruments at fair value through other comprehensive income (FVTOCI)

A 'debt instrument' is classified as at the FVTOCI if both of the following criteria are met:

a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and

b) The asset's contractual cash flows represent SPPI.

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

Debt instruments at fair value through profit or loss (FVTPL)

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

In addition, the company may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). The company has not designated any debt instrument as at FVTPL.

Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of P&L.

Equity investments

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS 103 applies are classified as at FVTPL. For all other equity instruments, the Company may make an irrevocable election to present the subsequent changes in the fair value in OCI. The Group makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to Statement of Profit and Loss, even on sale of investment. However, the company may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of Profit and Loss.

Other equity investments

All other equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS103 applies are classified as at FVTPL. For all other equity instruments, the company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to P&L, even on sale of investment. However, the company may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the P&L.

S.R. BATLIBOI & CO. LLP GURUGRAM

Aalok Solarfarms Limited

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised when:

- The rights to receive cash flows from the asset have expired, or
- The respective company has transferred their rights to receive cash flows from the asset or have assumed the obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; And
- Either the companies under the company has transferred substantially all the risks and rewards of the asset, or has neither transferred nor retained substantially all the risks and rewards of the asset, but have transferred control of the asset.

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

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

Impairment of financial assets

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

The Company follows 'simplified approach for recognition of impairment loss allowance on trade receivables or contract revenue receivables.

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

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

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

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/expense in the Statement of profit and loss (P&L).

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

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

The financial liabilities of the company include trade and other payables, derivative financial instruments, loans and borrowings including bank overdraft.

Subsequent measurement

The measurement of financial liabilities depends on their classification as discussed below:-

Loans and borrowings

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

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the Statement of Profit and Loss. This category generally applies to borrowings.

The Company recognise debt modifications agreed with lenders to restructure their existing debt obligations. Such modifications are done to take advantage of falling interest rates by cancelling the exposure to high interest fixed rate debt, pay a fee or penalty on cancellation and replace it with debt at a lower interest rate (exchange of old debt with new debt). The qualitative factors considered to be relevant for modified financial liabilities include, but are not limited to, the currency that the debt instrument is denominated in, the interest rate (that is fixed versus floating rate), conversion features attached to the instrument and changes in covenants. The accounting treatment is determined depending on whether modifications or exchange of debt instruments represent a settlement of the original debt or merely a renegotiation of that debt. The exchange of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit or Loss.

Compound Instruments- Compulsory Convertible Debentures (CCDs)

Compulsory Convertible Debentures (CCDs) are separated into liability and equity components based on the terms of the contract

Basis the terms of these compound financial instruments the distributions to holders of an equity instrument are being recognised by the entity directly in equity. Transaction costs of an equity transaction are being accounted for as a reduction from equity.

The company recognises interest, dividends, losses and gains relating to such financial instrument or a component that is a financial liability as income or expense in profit or loss.

The present value of the liability part of the compulsory convertible debentures classified under financial liabilities and the equity component is calculated by subtracting the liability from the total proceeds of CCDs.

Transaction costs that relate to the issue of a compound financial instrument are allocated to the liability and equity components of the instrument in proportion to the allocation of proceeds. Transaction costs that relate jointly to more than one transaction (for example, cost of issue of debentures, listing fees) are allocated to those transactions using a basis of allocation that is rational and consistent with similar transactions.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged/ cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit or Loss.

Reclassification of financial assets and liabilities

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

o) Cash and Cash-Equivalents

Cash and short-term deposits in the balance sheet comprise cash at banks and cash in hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the Statement of cash flows, cash and cash equivalents consist of cash and short term deposits, as defined above, net off bank overdrafts as they considered an integral part of the Company's cash management.

p) Measurement of EBITDA

The company has elected to present earnings before interest, tax, depreciation and amortization (EBITDA) as a separate line item on the face of the Statement of Profit and Loss. The company measure EBITDA on the basis of profit/ (loss) from continuing operations. In their measurement, the companies include interest income but do not include depreciation and amortization expense, finance costs and tax expense.

q) Events occurring after the Balance Sheet date

Impact of events occurring after the balance sheet date that provide additional information materially effecting the determination of the amounts relating to conditions existing at the balance sheet date are adjusted to respective assets and liabilities.

The Company does not adjust the amounts recognised in its financial statements to reflect non-adjusting events after the reporting period.

The Company makes disclosures in the financial statement in cases of significant events.

r) Contingent liabilities

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made.

s) Earnings per equity share

Basic earnings per equity share is computed by dividing the net profit attributable to the equity holders of the Company by the weighted average number of equity shares outstanding during the period. Diluted earnings per equity share is computed by dividing the net profit attributable to the equity holders of the Company by the weighted average number of equity shares considered for deriving basic earnings per equity share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. The dilutive potential equity shares are adjusted for the proceeds receivable had the equity shares been actually issued at fair value (i.e. the average market value of the outstanding equity shares). Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issue data later date. Dilutive potential equity shares are determined independently for each period presented.

The number of equity shares and potentially dilutive equity shares are adjusted retrospectively for all periods presented for any share splits and bonus shares issues including for changes effected prior to the approval of the financial statements by the Board of Directors.

'The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share'

S.R. BATLIBOI & CO. LLP * GURUGRAM *

Aalok Solarfarms Limited *

(Amounts in INR thousands, unless otherwise stated)

t) Contract assets

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Company performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

u) Contract Liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Company performs under the contract.

v) Trade receivables

A receivable represents the Company's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Refer to accounting policies of financial assets in section (n) Financial instruments – initial recognition and subsequent measurement.

3.2 Changes in accounting policy and disclosures

a) New and amended standards

The Company applied Ind AS 115 for the first time during the FY 2018-19. The nature and effect of the changes as a result of adoption of the new accounting standard are described below.

Ind AS 115 Revenue from Contracts with Customers

Ind AS 115 was issued on 28 March 2018 and supersedes Ind AS 11 Construction Contracts and Ind AS 18 Revenue and it applies, with limited exceptions, to all revenue arising from contracts with its customers. Ind AS 115 establishes a five-step model to account for revenue arising from contracts with customers and requires that revenue be recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

Ind AS 115 requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers. The standard also specifies the accounting for the incremental costs of obtaining a contract and the costs directly related to fulfilling a contract. In addition, the standard requires extensive disclosures.

The Company adopted Ind AS 115 using the modified retrospective method of adoption with the date of initial application of 1 April 2018. Under this method, the standard can be applied either to all contracts at the date of initial application or only to contracts that are not completed at this date. The Company elected to apply the standard to all contracts that are not completed as at 1 April 2018.

Set out below, are the amounts by which each financial statement line item is affected as at and for the year ended 31 March 2019 as a result of the adoption of Ind AS 115. The adoption of Ind AS 115 did not have a material impact on OCI or the Company's operating, investing and financing cash flows. The first column shows amounts prepared under Ind AS 115 and the second column shows what the amounts would have been had Ind AS 115 not been adopted:

Reconciliation of equity as at 31 March 2019

Particulars	Reference	Ind AS 115	Ind AS 18	Increase/ (decrease)
Other current financial assets				
Unbilled revenue	(a)	-	8,836	(8,836)
Trade receivables				
Trade receivables	(a)	17,455	8,619	8,836

b) Standards issued but not yet effective

Ind AS 116 Leases:

Ind AS 116 Leases was notified in March, 2019 and it replaces Ind AS 17 Leases, including appendices thereto. Ind AS 116 is effective for annual periods beginning on or after 1 April, 2019. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under Ind AS 17. The standard includes two recognition exemptions for lessees – leases of 'low-value' assets (e.g., personal computers) and short-term leases (i.e., leases with a lease term of 12 months or less). At the commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset). Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset.

Lessees will be also required to remeasure the lease liability upon the occurrence of certain events (e.g., a change in the lease term, a change in future lease payments resulting from a change in an index or rate used to determine those payments). The lessee will generally recognise the amount of the remeasurement of the lease liability as an adjustment to the right-of-use asset.

Lessor accounting under Ind AS 116 is substantially unchanged from today's accounting under Ind AS 17. Lessors will continue to classify all leases using the same classification principle as in Ind AS 17 and distinguish between two types of leases: operating and finance leases.

The Company is evaluating the requirements of the new standard and the effect on the financial statements is being evaluated, thus impact is not known.

(Amounts in INR thousands, unless otherwise stated)

4 Property, plant and equipment

	Plant and equipment	Capital work in progress
Cost		
At 1 April 2017	-	10,995
Additions during the year^	692,834	681,839
Capitalised during the year	-	(692,834)
At 31 March 2018	**692,834**	-
Capitalised during the year	-	-
At 31 March 2019	**692,834**	-
Accumulated Depreciation		
At 1 April 2017	-	-
Charge for the year (refer note 21)	10,556	-
At 31 March 2018	**10,556**	-
Charge for the year (refer note 21)	27,714	-
At 31 March 2019	**38,270**	-
Net book value		
At 31 March 2018	**682,278**	-
At 31 March 2019	**654,564**	-

Mortgage and hypothecation on Property, plant and equipment:

Property, plant and equipment with a carrying amount of INR 654,564 (31 March 2018: INR 682,278) are subject to a pari passu first charge to respective lenders for project term loans and debentures as disclosed in Note 13.

^ Capitalised borrowing costs

The amount of borrowing costs capitalised during the year was INR Nil (31 March 2018 INR 11,287). The rate used to determine the amount of borrowing costs eligible for capitalisation was the effective interest rate of the specific borrowing.

S.R. BATLIBOI & CO. LLP GURUGRAM

Aalok Solarfarms Limited

Aalok Solarfarms Limited
Notes to Financial Statements for the year ended 31 March 2019
(Amounts in INR thousands, unless otherwise stated)

5 Financial assets

	As at 31 March 2019	As at 31 March 2018
Non-current		
Loans		
Considered good - Unsecured		
Security deposits	1,151	243
Loans which have significant increase in credit risk	-	-
Loans - credit impaired	-	-
Total	**1,151**	**243**
Current		
Loans		
Considered good - Unsecured		
Loans to related parties * (refer note 24)	36,900	-
Loans which have significant increase in credit risk	-	-
Loans - credit impaired	-	-
Total	**36,900**	**-**

*Unsecured loan to related party is recoverable on demand and carries interest at 8.00% per annum.

	As at 31 March 2019	As at 31 March 2018
Others		
Recoverable from related parties (refer note 24)	13	-
Unbilled revenue*	-	11,457
Interest accrued on fixed deposits	-	287
Interest accrued on loans to related parties (refer note 24)	318	-
Total	331	11,744

Loans and receivables are non-derivative financial assets which generate a fixed or variable interest income for the Company. The carrying value may be affected by changes in the credit risk of the counterparties.

* With effect from 1 April 2018, Unbilled revenue has been classified under head Trade receivables on account of application of Ind AS 115 using modified retrospective approach. Refer note 3.2 - New and amended standards for detailed explanation.

6 Deferred tax liabilities (net)

Deferred tax relates to the following:

Deferred tax related to items recognised in OCI:

		As at 31 March 2019	As at 31 March 2018
Deferred tax liabilities (gross)			
Compulsorily convertible debentures		7,274	7,274
	(a)	7,274	7,274
Deferred tax related to items recognised in statement of profit and loss:			
Deferred tax liabilities (gross)			
Difference in written down value as per books of account and tax laws		112,805	50,350
Amortization of Ancillary Borrowing Cost		1,248	1,339
	(b)	114,053	51,689
Deferred tax assets (gross)			
Provision for operation and maintenance equalisation		132	32
Preliminary expenses not written off under tax laws			
Unused tax credit (MAT)		3,659	270
Compulsorily convertible debentures		7,017	4,240
Losses available for offsetting against future taxable income		106,608	49,666
	(c)	117,416	54,208
Deferred tax liabilities (net)	(a) + (b) - (c)	**3,911**	**4,755**

S.R. BATLIBOI & CO. LLP * GURUGRAM *

Aalok Solarfarms Limited *

(Amounts in INR thousands, unless otherwise stated)

Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate:

	31 March 2019	31 March 2018
Accounting profit before income tax	**1,098**	**1,418**
At India's applicable statutory income tax rate i.e. Minimum Alternate Tax (18.50%)/ Income Tax (25%) plus applicable Surcharge rate (7% to 12 %) and Cess (4%)	226	270
Deferred tax expense reported in the statement of profit and loss*	(844)	(2,521)
Non-deductible expenses for tax purposes:		
Interest on compound financial instrument	2,205	-
At the effective income tax rate	**1,587**	**(2,251)**
Current tax expense reported in the statement of profit and loss	2,431	270
Deferred tax expense reported in the statement of profit and loss	(844)	(2,521)
	1,587	**(2,251)**
*** Where deferred tax expense relates to the following :**		
Losses available for offsetting against future taxable Income	(56,942)	(49,667)
Compound Financial Instrument	(2,777)	(4,240)
Ancillary borrowing cost	(91)	1,339
Unused tax credit (MAT)	(3,388)	(270)
Difference in WDV as per books of accounts and tax laws	62,456	50,351
Operation and maintenance	(102)	(34)
	(844)	**(2,521)**

Reconciliation of deferred tax assets (net):

	31 March 2019	31 March 2018
Opening balance of DTA/DTL (net)	**(4,755)**	**(4,023)**
Deferred tax income/(expense) during the year recognised in profit or loss	844	2,521
Deferred tax income/(expense) during the year recognised in OCI	-	(3,253)
Closing balance of DTA/DTL (net)	**(3,911)**	**(4,755)**

The company has unabsorbed depreciation and carried forward losses which arose in India of INR 410,029 (31 March 2018: INR 13,047). The unabsorbed depreciation will be available for offsetting against future taxable profits of the Company.

Out of this, the tax losses that are available for offsetting for eight years against future taxable profits of the company in which the losses arose are Nil (31 March 2018: Nil). The unabsorbed depreciation that will be available for offsetting for against future taxable profits of the companies in which the losses arose are of INR 4,10,029 (31 March 2018: INR 13,047).

The Company has recognised deferred tax asset of INR 106,608 (31 March 2018: INR 49,666) utilisation of which is dependent on future taxable profits. The future taxable profits are based on projections made by the management considering the power purchase agreement with power procurer.

7 Prepayments	As at 31 March 2019	As at 31 March 2018
Non-current (unsecured, considered good unless otherwise stated)		
Prepaid expenses	28,593	23,639
	28,593	**23,639**
Current (unsecured, considered good unless otherwise stated)		
Prepaid expenses	2,604	2,024
	2,604	**2,024**

S.R. BATLIBOI & CO. LLP * GURUGRAM *

Aalok Solarfarms Limited *

(Amounts in INR thousands, unless otherwise stated)

8 Other assets	As at 31 March 2019	As at 31 March 2018
Non-current (unsecured, considered good unless otherwise stated)		
Others		
Advances recoverable	-	220
Security deposits	120	20
Total	**120**	**240**
Current (Unsecured, considered good unless otherwise stated)		
Advances recoverable in cash or kind	69	-
Total	**69**	**-**

9 Trade receivables	As at 31 March 2019	As at 31 March 2018
Unsecured, considered good	17,455	-
Secured, considered good	-	-
Receivables which have significant increase in credit risk	-	-
Receivables - credit impaired	-	-
	17,455	-
Less: Provision for doubtful debts	-	-
Total	17,455	-

No trade or other receivables are due from directors or other officers of the Company either severally or jointly with any other person. No trade or other receivables are due from firms or private companies respectively in which any director is a partner, director or a member.

Trade receivables are non-interest bearing and are generally on terms of 30 days.

With effect from 1 April 2018, Unbilled revenue has been classified under head Trade receivables on account of application of Ind AS 115 using modified retrospective approach. Refer note 3.2 - New and amended standards for detailed explanation.

10 Cash and cash equivalents	As at 31 March 2019	As at 31 March 2018
Balance with bank		
- On current accounts	2,400	7,703
- Deposits with original maturity of less than 3 months	-	16,578
	2,400	**24,281**
Bank balances other than cash and cash equivalents		
Deposits with		
- Remaining maturity for less than twelve months	-	21,900
Total	**-**	**21,900**

S.R. BATLIBOI & CO. LLP * GURUGRAM *

Aalok Solarfarms Limited *

(Amounts in INR thousands, unless otherwise stated)

11 Equity share capital

Authorised share capital	Number of shares	Amount
Equity shares of INR 10 each		
At 1 April 2017	1,500,000	15,000
Increase during the year	7,800,000	78,000
At 31 March 2018	9,300,000	93,000
Increase during the year	-	-
At 31 March 2019	**9,300,000**	**93,000**

11A Issued share capital

Issued share capital	Number of shares	Amount
Equity shares of INR 10 each issued, subscribed and paid up		
At 1 April 2017	1,373,700	13,737
Shares issued during the year	3,291,300	32,913
At 31 March 2018	4,665,000	46,650
Shares issued during the year	-	-
At 31 March 2019	**4,665,000**	**46,650**

Terms/rights attached to equity shares

The Company have only one class of equity shares having par value of INR 10 per share. Each holder of equity shares is entitled to one vote per share. If declared, the Company will declare and pay dividends in Indian rupees.

In the event of liquidation of a Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

11B Equity component of compulsory convertible debentures (CCD)

	Number of debentures	Total proceeds	Liability component (refer note 13)	Equity component
At 1 April 2017	707,625	70,762	61,648	8,996
Addition during the year (net of deferred tax)	679,875	67,988	53,955	9,256
Accretion during the year	-	-	11,477	-
At 31 March 2018	1,387,500	138,750	127,080	18,252
Accretion during the year	-	-	13,594	-
At 31 March 2019	**1,387,500**	**138,750**	**140,674**	**18,252**

Terms of conversion of CCDs

CCDs are compulsorily convertible into equity shares at the end of ten years from the date of issue, viz., starting from June 06, 2026, January 27, 2027 and May 24, 2027 or in accordance with the terms of the JVA at conversion ratio defined therein.

CCD carry an interest coupon rate of 10.7% per annum with moratorium of 24 months from the date of issue. CCDs do not carry any voting rights.

11C Shares held by the holding Company

Suzlon Energy Limited was the Holding Company upto 24 May 2017. As on 31 March 2018 and 31 March 2019, Suzlon Energy Limited and Ostro Energy Private Limited have joint control over the company.

11D Details of shareholders holding more than 5% shares in the Company

	31 March 2019		31 March 2018	
	Number	% Holding	Number	% Holding
Equity shares of Rs 10 each fully paid				
Suzlon Energy Limited	2,379,150	51.00%	2,379,150	51.00%
Ostro Energy Private Limited	2,285,850	49.00%	2,285,850	49.00%

As per the records of the Company, including its register of shareholders/members the above shareholding represents both legal and beneficial ownerships of shares.

11E No shares have been allotted without payment of cash or by way of bonus shares during the period of five years immediately preceding the balance sheet date.

12 Other equity

12A Retained earnings

At 1 April 2017	(480)
Profit for the year	3,669
At 31 March 2018	**3,189**
Loss for the year	(1,446)
At 31 March 2019	**1,743**

S.R. BATLIBOI & CO. LLP * GURUGRAM *

Aalok Solarfarms Limited *

(Amounts in INR thousands, unless otherwise stated)

13 Long-term borrowings

	Nominal interest rate %	Maturity	Non-current		Current	
			As at 31 March 2019	As at 31 March 2018	As at 31 March 2019	As at 31 March 2018
Debentures (unsecured)						
Liability component of compulsory convertible debentures	10.70%	June 2026 to May 2027	140,674	127,080	-	-
From financial institutions (secured)						
Term loan	10.10%	September 2033	497,753	501,112	27,953	19,250
Total long-term borrowings			638,427	628,192	27,953	19,250
Amount disclosed under the head 'Other current financial liabilities' (Refer note 16)			-	-	(27,953)	(19,250)
			638,427	628,192	-	-

Notes:

Details of Security

(i) **Term loan in Indian rupees from financial institutions (Secured)**
Secured by a first pari passu charge by way of mortgage on immovable properties, first pari passu charge by way of hypothecation of tangible moveable assets, first charge on all the current assets, intangible assets and accounts. Further secured by way of assignment of all the rights, title, interest, benefit, claims and demands under all the project agreements, letter of credit, insurance contracts and proceeds, guarantees, performance bond etc. of the respective company.

(ii) **Compulsorily convertible debentures (Unsecured)**
Compulsory Convertible Debentures (CCD) are compulsorily convertible into equity shares in accordance with the terms of the Joint Venture Agreement at conversion ratio defined therein. CCD do not carry any voting rights.

(iii) Suzlon Energy Limited has pledged 1,166,250 (31 March 2018; 1,166,250) equity shares and 346,875 (31 March 2018; 346,875) CCDs as on 31 March 2019 in favour of security trustee on behalf of lender.

(iv) Ostro Energy Private Limited has pledged 2,285,850 (31 March 2018; 2,285,850) equity shares and 679,875 (31 March 2018; 679,875) CCDs as on 31 March 2019 in favour of security trustee on behalf of lender.

(v) The Term Loan is covered by corporate guarantee of Ostro Energy Private Limited , till the execution of PPA and perfection of security.

Aalok Solarfarms Limited

S.R. BATLIBOI & CO. LLP GURUGRAM

(Amounts in INR thousands, unless otherwise stated)

14 Other non-current liabilities	As at 31 March 2019	As at 31 March 2018
Provision for operation and maintenance equalisation	512	125
Total	**512**	**125**

15 Trade payables	As at 31 March 2019	As at 31 March 2018
Current		
Outstanding dues to micro enterprises and small enterprises.(refer note 33)	-	-
Others	6,131	4,025
Total	**6,131**	**4,025**

16 Other current financial liabilities	As at 31 March 2019	As at 31 March 2018
Financial liabilities at amortised cost		
Current maturities of long term borrowings (Refer note 13)	27,953	19,250
Others		
Capital creditors	2,749	42,047
Total	**30,702**	**61,297**

17 Other current liabilities	As at 31 March 2019	As at 31 March 2018
Other payables		
TDS payable	316	81
GST payable	-	15
Total	**316**	**96**

S.R. BATLIBOI & CO. LLP * GURUGRAM *

Aalok Solarfarms Limited *

Aalok Solarfarms Limited
Notes to Financial Statements for the year ended 31 March 2019
(Amounts in INR thousands, unless otherwise stated)

18 Revenue from operations

	For the year ended 31 March 2019	For the year ended 31 March 2018
Income from contracts with customers		
Sale of power	114,750	39,076
Total	**114,750**	**39,076**

19 Other income

	For the year ended 31 March 2019	For the year ended 31 March 2018
Interest income		
- on fixed deposit with banks	2,656	3,945
- on loan to related party (refer note 24)	354	-
- others	57	-
Total	**3,067**	**3,945**

20 Other expenses

	For the year ended 31 March 2019	For the year ended 31 March 2018
Legal and professional fees	1,689	1,067
Travelling and conveyance	-	50
Rent	194	247
Printing and stationery	3	0
Management shared services	2,919	467
Rates and taxes	314	21
Payment to auditors *	539	523
Insurance	1,429	554
Operation and maintenance	6,644	2,682
Repair and maintenance		
- plant and machinery	3	-
Communication costs	205	-
Miscellaneous expenses	547	0
Total	**14,486**	**5,611**

***Payment to Auditors**

	For the year ended 31 March 2019	For the year ended 31 March 2018
As auditor:		
Audit fee	490	490
Limited review	-	33
Reimbursement of expenses	49	-
	539	**523**

21 Depreciation expense

	For the year ended 31 March 2019	For the year ended 31 March 2018
Depreciation of property, plant & equipment (refer note 4)	27,714	10,556
Total	**27,714**	**10,556**

22 Finance costs

	For the year ended 31 March 2019	For the year ended 31 March 2018
Interest expense on		
- term loans	60,145	20,641
- liability component of compulsorily convertible debentures	13,594	4,673
- others	68	1
Bank charges	712	121
Total	**74,519**	**25,436**

S.R. BATLIBOI & CO. LLP * GURUGRAM *

Aalok Solarfarms Limited *

(Amounts in INR thousands, unless otherwise stated)

23 Earnings per share (EPS)	For the year ended 31 March 2019	For the year ended 31 March 2018
The following reflects the profit and share data used for the basic and diluted EPS computations:		
Profit/(loss) attributable to equity holders for basic earnings	(1,446)	3,669
Interest on compulsorily convertible debentures	13,594	4,673
	12,148	8,342
Net/(loss) profit for calculation of basic EPS	(1,446)	3,669
Weighted average number of equity shares for calculating basic EPS	4,665,000	4,178,068
Basic earnings per share	(0.31)	0.88
Net profit/(loss) for calculation of diluted EPS*	(1,446)	8,342
Weighted average number of equity shares for calculating diluted EPS	4,665,000	17,047,225
Diluted earnings per share	(0.31)	0.49
	No. of shares	**No. of shares**
Weighted average number of equity shares in calculating basic EPS	4,665,000	4,178,068
Effect of dilution		
Convertible equity for compulsorily convertible debentures (CCD) *	13,875,000	12,869,158
Weighted average number of equity shares in calculating diluted EPS	18,540,000	17,047,225

* Since the effect of conversion of compulsorily convertible debentures was anti-dilutive in the current year, it has not been considered for the purpose of computing Diluted EPS.

S.R. BATLIBOI & CO. LLP * GURUGRAM *

Aalok Solarfarms Limited *

(Amounts in INR thousands, unless otherwise stated)

24 Related party disclosure

a) Names of related parties and related party relationship:

The names of related parties where control exists and / or with whom transactions have taken place during the period and description of relationship as identified by the management are:-

I. Entities with joint control

Suzlon Energy Limited (Holding company till 24 May 2017)
Ostro Energy Private Limited (OEPL)

II. Entities under common control

Suzlon Global services Limited (fellow Subsidiary till 24 May 2017)
Suzlon Gujarat Wind Private Limited (fellow Subsidiary till 24 May 2017)
Abha Solarfarms Limited
ReNew Solar Power Private Limited (RSPPL)
ReNew Wind Energy (TN 2) Private Limited

III. Enterprise with significant influence

ReNew Power Limited (wef 29 March 2018)
ReNew Power Services Private Limited (RPSPL)

b) Details of transactions with enterprise with significant influence:

	ReNew Power Limited	
Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Unsecured loan given	41,900	-
Unsecured loan refunded back	5,000	-
Interest income on unsecured loan	354	-

	ReNew Power Serices Private Limited	
Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Management shared services#	84	-

The RPSPL has charged certain common expenses to the companies under joint control and fellow subsidiary on the basis of its best estimate of expenses incurred for each of the companies under joint control and fellow subsidiary and recovered the said expenses in the form of 'Management Shared Services'. The management believes that the method adopted by the RPSPL is most appropriate basis for recovering of such common expenses.

c) Details of outstanding balances with enterprise with significant influence:

	ReNew Power Limited	
Particulars	31 March 2019	31 March 2018
Unsecured loan recoverable	36,900	-
Interest income accrued on unsecured loan	318	-

	ReNew Power Services Private Limited	
Particulars	31 March 2019	31 March 2018
Trade payable	84	-

d) Details of transaction with entities with joint control

	Suzlon Energy Limited	
Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Reimbursement of expenses	-	975
Expense debited to Suzlon	-	56,219
Allotment of equity share capital	-	10,055
Convertible equity for compulsorily convertible debentures (CCD) *	-	607,111

	Ostro Energy Private Limited	
Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Allotment of equity share capital	-	228,585
Management shared services#	-	5,662
Reimbursement of expenses	-	2,749
Issue of compulsorily convertible debentures	-	67,987

The OEPL has charged certain common expenses to the companies under joint control and fellow subsidiary on the basis of its best estimate of expenses incurred for each of the companies under joint control and fellow subsidiary and recovered the said expenses in the form of 'Management Shared Services'. The management believes that the method adopted by the OEPL is most appropriate basis for recovering of such common expenses.

S.R. BATLIBOI & CO. LLP * GURUGRAM *

Aalok Solarfarms Limited *

(Amounts in INR thousands, unless otherwise stated)

e) Details of outstanding balances with entity with joint control :

	Suzlon Energy Limited	
Particulars	**31 March 2019**	**31 March 2018**
Compulsorily convertible debentures	-	70,763
Equity Share Capital	-	23,792
Capital Creditor	-	16,586

	Ostro Energy Private Limited	
Particulars	**31 March 2019**	**31 March 2018**
Capital Creditor	2,749	2,749
Trade payable	322	322

f) Details of transaction with entities with common control

	Suzlon Gujarat Wind Private Limited	
Particulars	**For the year ended 31 March 2019**	**For the year ended 31 March 2018**
Purchase of Capital goods & Services	-	49,670

	Suzlon Global services Limited	
Particulars	**For the year ended 31 March 2019**	**For the year ended 31 March 2018**
Operation and Maintenance expenses	5,782	2,360

	Abha Solarfarms Limited	
Particulars	**For the year ended 31 March 2019**	**For the year ended 31 March 2018**
Expenses incurred on behalf of related party	13	-

	ReNew Solar Power Private Limited	
Particulars	**For the year ended 31 March 2019**	**For the year ended 31 March 2018**
Management shared services#	2,835	-

The RSPPL has charged certain common expenses to the companies under common control and fellow subsidiary on the basis of its best estimate of expenses incurred for each of the companies under common control and fellow subsidiary and recovered the said expenses in the form of 'Management Shared Services'. The management believes that the method adopted by the RSPPL is most appropriate basis for recovering of such common expenses.

	ReNew Wind Energy (TN 2) Private Limited	
Particulars	**For the year ended 31 March 2019**	**For the year ended 31 March 2018**
Expenses incurred by the related party	152	-

g) Details of outstanding balances with entities under common control:

	Suzlon Gujarat Wind Private Limited	
Particulars	**31 March 2019**	**31 March 2018**
Capital Creditor	-	22,712

	Abha Solarfarms Limited	
Particulars	**31 March 2019**	**31 March 2018**
Recoverable from related party	13	-

	Suzlon Global Services Limited	
Particulars	**31 March 2019**	**31 March 2018**
Trade payable	-	2,360

	ReNew Solar Power Private Limited	
Particulars	**31 March 2019**	**31 March 2018**
Trade payable	2,594	-

	ReNew Wind Energy (TN 2) Private Limited	
Particulars	**31 March 2019**	**31 March 2018**
Trade payable	152	-

h) Suzlon Energy Limited has pledged 1,166,250 (31 March 2018; 1,166,250) equity shares and 346,875 (31 March 2018; 346,875) CCDs as on 31 March 2019 in favour of security trustee on behalf of lender.

i) Ostro Energy Private Limited has pledged 2,285,850 (31 March 2018; 2,285,850) equity shares and 679,875 (31 March 2018; 679,875) CCDs as on 31 March 2019 in favour of security trustee on behalf of lender.

j) The Term Loan is covered by corporate guarantee of Ostro Energy Private Limited , till the execution of PPA and perfection of security.

Aalok Solarfarms Limited

S.R. BATLIBOI & CO. LLP GURUGRAM

25 Segment Information

The directors of the Company take decision in respect of allocation of resources and assesses the performance basis the report/information provided by functional heads and are thus considered to be Chief Operating Decision Maker.

The Company is carrying out business activities relating to generation of power through non-conventional and renewable energy sources (refer note 1). There are no separate reportable segments (business and/ or geographical) in accordance with the requirements of Ind AS 108 'Operating segment' and hence, there are no additional disclosures to be provided other than those already provided in the financial statements.

The Company generates entire revenue from single customer.

26 Reconciliation of the amount of revenue recognised in the statement of profit and loss with the contracted price

Particulars	**For the year ended 31 March 2019**
Income as per contracted price	117,639
Adjustments	
Discounts and rebates	2,396
Operating charges	493
Income from contract with customers	**114,750**

(Amounts in INR thousands, unless otherwise stated)

27 Fair values

Set out below, is a comparison by class of the carrying amounts and fair value of the financial instruments of the Company, other than those with carrying amounts that are reasonable approximations of fair values:

	31 March 2019		31 March 2018	
	Carrying value	Fair value	Carrying value	Fair value
Financial assets				
Loans	38,051	38,051	243	243
Trade receivables	17,455	17,455	-	-
Cash and cash equivalent	2,400	2,400	24,281	24,281
Bank balances other than cash and cash equivalent	-	-	21,900	21,900
Other current financial assets	331	331	11,744	11,744
Financial liabilities				
Long term borrowings	497,753	497,753	501,112	501,112
compulsorily convertible debentures	140,674	140,674	127,080	127,080
Trade payables	6,131	6,131	4,025	4,025
Other current financial liabilities	30,702	30,702	61,297	61,297

The management of the Company assessed that loans, cash and cash equivalents, trade receivables, trade payables, long term borrowings, other current financials liabilities and other current financial assets approximate their carrying amounts largely due to the short-term maturities of these instruments.

The following methods and assumptions were used to estimate the fair values:

i The fair values of the Company's term loans from financial institutions including current maturities are determined by using Discounted Cash Flow (DCF) method using discount rate that reflects the issuer's borrowing rate as at the end of the reporting period. The own non-performance risk as at 31 March 2019 was assessed to be insignificant.

ii The fair value of unquoted instruments, such as liability component of compulsorily convertible debentures are estimated by discounting future cash flows using effective interest rate, credit risk and remaining maturity.

28 Fair value hierarchy

The Company categorizes assets and liabilities measured at fair value into one of three levels depending on the ability to observe inputs employed in their measurement which are described as follows:
i) Level 1 - Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.
ii) Level 2 - Inputs are inputs that are observable, either directly or indirectly, other than quoted prices included within level 1 for the asset or liability.
iii) Level 3 - Inputs are unobservable inputs for the asset or liability reflecting significant modifications to observable related market data or Company's assumptions about pricing by market participants.
The following table provides the fair value measurement hierarchy of the assets and liabilities of the Company :-

Equity component of compulsorily convertible debentures

Quantitative disclosures fair value measurement hierarchy for assets/liabilities as at year end:

	Level of fair value measurement	31 March 2019		31 March 2018	
		Carrying value	Fair value	Carrying value	Fair value
Financial assets not measured at fair value					
Measured at amortised cost					
Financial Assets (Non current): Loans					
Security deposits	Level 2	1,151	1,151	243	243
Total		**1,151**	**1,151**	**243**	**243**
Financial Assets (Current): Loans					
Loans to related parties	Level 2	36,900	36,900	-	-
		36,900	**36,900**	-	-
Financial Assets (Current): Others					
Recoverable from related parties	Level 2	13	13	-	-
Unbilled revenue	Level 2	-	-	11,457	11,457
Interest accrued on fixed deposits	Level 2	-	-	287	287
Interest accrued on loans to related parties	Level 2	318	318	-	-
Total		**331**	**331**	**11,744**	**11,744**
Trade receivables	Level 2	**17,455**	**17,455**	-	-
Cash and bank balances					
Cash and cash equivalent	Level 2	2,400	2,400	24,281	24,281
Bank balances other than cash and cash equivalent	Level 2	-	-	21,900	21,900
Total		**2,400**	**2,400**	**46,181**	**46,181**

Financial liabilities not measured at fair value					
Measured at amortised cost					
Long-term borrowings					
Compulsorily convertible debentures	Level 2	140,674	140,674	127,080	127,080
Term loan from financial institutions	Level 2	497,753	497,753	501,112	501,112
Total		**638,427**	**638,427**	**628,192**	**628,192**
Trade payables	Level 2	**6,131**	**6,131**	**4,025**	**4,025**
Financial liabilities (Current): Others					
Current maturities of long term borrowings	Level 2	27,953	27,953	19,250	19,250
Capital creditors	Level 2	2,749	2,749	42,047	42,047
		30,702	**30,702**	**61,297**	**61,297**

S.R. BATLIBOI & CO. LLP GURUGRAM *

Aalok Solarfarms Limited *

Particulars	Fair value hierarchy	Valuation technique	Inputs used
Financial assets not measured at fair value			
Security deposits	Level 2	Discounted cash flow	Prevailing interest rates in the market, Future cash flows
Loans to related parties	Level 2	Discounted cash flow	Prevailing interest rates in the market, Future cash flows
Unbilled revenue	Level 2	Discounted cash flow	Prevailing interest rates in the market, Future cash flows
Interest accrued on fixed deposits	Level 2	Discounted cash flow	Prevailing interest rates in the market, Future cash flows
Interest accrued on loans to related parties	Level 2	Discounted cash flow	Prevailing interest rates in the market, Future cash flows
Cash and cash equivalent	Level 2	Discounted cash flow	Prevailing interest rates in the market, Future cash flows
Bank balances other than cash and cash equivalent	Level 2	Discounted cash flow	Prevailing interest rates in the market, Future cash flows
Trade receivables	Level 2	Discounted cash flow	Prevailing interest rates in the market, Future cash flows
Financial liabilities not measured at fair value			
Compulsorily convertible debentures	Level 2	Discounted cash flow	Prevailing interest rates in the market, Future cash flows
Term loan from financial institutions	Level 2	Discounted cash flow	Prevailing interest rates in the market, Future cash flows
Trade payables	Level 2	Discounted cash flow	Prevailing interest rates in the market, Future cash flows
Current maturities of long term borrowings	Level 2	Discounted cash flow	Prevailing interest rates in the market, Future cash flows
Capital creditors	Level 2	Discounted cash flow	Prevailing interest rates in the market, Future cash flows

S.R. BATLIBOI & CO. LLP GURUGRAM

Aalok Solarfarms Limited

(Amounts in INR thousands, unless otherwise stated)

29 Financial Risk Management objectives and policies

The Company's principal financial liabilities comprise loans and borrowings, trade and other financial liabilities.

The main purpose of these financial liabilities is to finance and support its operations. The Company's financial assets include loans, trade and other receivables, and cash & cash equivalents that derive directly from its operations.

The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior management oversees the management of these risks. The Company's senior management is supported by a various sub committees that advises on financial risks and the appropriate financial risk governance framework for the Company. These committees provides assurance to the Company's senior management that the Company's financial risk activities are governed by appropriate policies and procedure and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives. The Board of Directors reviews and agrees policies for managing each risk, which are summarised as below.

Market Risk

Market risk is the risk that the Company's assets and liabilities will be exposed to due to a change in market prices that determine the valuation of these financial instruments. Market risk comprises 3 types of risk: interest rate risk, currency risk and other price risk such as equity price risk and commodity risk. Financial instruments affected by market risk include loans and borrowings and deposits..

The sensitivity analyses in the following sections relate to the position as at 31 March 2019. The sensitivity analyses have been prepared on the basis that the amount of net debt and the ratio of fixed to floating interest rates of the debt are all constant as at 31 March 2019.

Interest rate Risk:

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is exposed to interest rate risk primarily from the external borrowings that are used to finance their operations. The Company also monitors the changes in interest rates and actively re finances its debt obligations to achieve an optimal interest rate exposure.

Interest Rate Sensitivity

The following table demonstrates the sensitivity to a reasonable possible change in interest rates on financial liabilities, i.e. floating interest rate of borrowings in INR. With all other variables held constant, the Company's profit before tax is affected through the impact on loans and borrowings, as follows:

	31 March 2019		31 March 2018	
	Increase/decrease in basis points	**Effect on profit before tax**	**Increase/decrease in basis points**	**Effect on profit before tax**
INR	+/(-)50	(-)/+ 2,712	+/(-)50	(-)/(+)1166
	Increase/decrease in basis points	**Effect on equity**	**Increase/decrease in basis points**	**Effect on equity**
INR	+/(-)50	(-)/+ 2,007	+/(-)50	(-)/(+)863

Credit Risk

Credit risk is the risk that the power procurer will not meet their obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from their operating activities (primarily trade receivables and from its financial activities) but this credit risk exposure is insignificant given the fact that substantially whole of the revenues are from state utilities/government entities.

Further the Company sought to reduce counterparty credit risk under long-term contracts in part by entering into power sales contracts with utilities or other customers of strong credit quality and we monitor their credit quality on an on going basis.

The maximum credit exposure to credit risk for the components of the balance sheet at 31 March 2019 and 31 March 2018 is the carrying amount of all the financial assets.

Trade Receivables

Customer credit risk is managed basis established policies of Company, procedures and controls relating to customer credit risk management. Outstanding customer receivables are regularly monitored. The Company does not hold collateral as security.

The Company has state utilities/government entities as it's customers with high credit worthiness, therefore, the Company does not see any risk related to credit. The credit quality of the customers other than state utilities/government entities is evaluated based on their credit ratings and other publicly available data.

Financial instruments and credit risk

Credit risk from balances with banks is managed by group's treasury department. Investments, in the form of fixed deposits, of surplus funds are made only with banks and within credit limits assigned to each counterparty. Counterparty credit limits are reviewed on an annual basis by the Company, and may be updated throughout the year subject to approval of group's finance committee. The limits are set to minimize the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments.

S.R. BATLIBOI & CO. LLP GURUGRAM

Aalok Solarfarms Limited

(Amounts in INR thousands, unless otherwise stated)

Liquidity Risk

Liquidity risk is the risk that the Company will encounter in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The approach of the Company to manage liquidity is to ensure , as far as possible, that these will have sufficient liquidity to meet their respective liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risk damage to their reputation.

The Company assessed the concentration of risk with respect to refinancing its debt and concluded it to be low. The Company has access to a sufficient variety of sources of funding and debt maturing within 12 months can be rolled over with existing lenders.

The Company rely mainly on long-term debt obligations to fund their construction activities. To the extent available at acceptable terms, utilized non-recourse debt to fund a significant portion of the capital expenditures and investments required to construct and acquire our wind and solar power plants and related assets. The Company's non-recourse financing is designed to limit default risk and is a combination of fixed and variable interest rate instruments. In addition, the debt is typically denominated in the currency that matches the currency of the revenue expected to be generated from the benefiting project, thereby reducing currency risk. The majority of non-recourse debt is funded by banks and financial institutions, with debt capacity supplemented by unsecured loan from related party.

The table below summarizes the maturity profile of financial liabilities of Company based on contractual undiscounted payments:

Year ended 31 March 2019	On demand	Less than 3 months	3 to 12 months	1 to 5 years	> 5 years	Total
Borrowings (other than preference shares)						
Loans from financial institutions*	-			319,439	575,780	895,219
compulsorily convertible debentures	-	-	-	-	140,674	140,674
Other financial liabilities						
Current maturities of long term borrowings*	-	21,179	63,697	-	-	84,876
Capital Creditors	2,749	-	-	-	-	2,749
Trade payables						
Trade payables	3,152	2,979	-	-	-	6,131

* Including future interest payments.

The Company expect liabilities with current maturities to be repaid from net cash provided by operating activities of the entity to which the debt relates or through opportunistic refinancing activity or some combination thereof.

Year ended 31 March 2018	On demand	Less than 3 months	3 to 12 months	1 to 5 years	> 5 years	Total
Borrowings (other than preference shares)						
Loans from Financial Institutions*	-	14,150	61,763	312,269	621,982	1,010,164
Liability component of compulsorily Convertible Debentures	-	-	-	-	127,180	127,180
Other financial liabilities						
Current maturities of long term borrowings*	-	-	19,250	-	-	19,250
Trade payables						
Trade payables	-	6,774	-	-	-	6,774

* Including future interest payments.

S.R. BATLIBOI & CO. LLP GURUGRAM

Aalok Solarfarms Limited

30 Significant accounting judgments, estimates and assumptions

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the accompanying disclosures. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

In the process of applying the accounting policies management has made certain judgements, estimates and assumptions. The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based their assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

A) Accounting judgements:

Taxes

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgment is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

The Company makes various assumptions and estimates while computing deferred taxes which include production related data (PLFs), projected operations and maintenance costs, projected finance costs, proposed availment of deduction under section 80IA of the Income Tax Act, 1961 and the period over which such deduction shall be availed, accelerated depreciation, other applicable allowances, usage of brought forward losses etc. While these assumptions are based on best available facts in the knowledge of management as on the balance sheet date however, they are subject to change year on year depending on the actual tax laws and other variables in the respective year. Given that the actual assumptions which would be used to file the return of income shall depend upon the tax laws prevailing in respective year, management shall continue to reassess these assumptions while calculating the deferred taxes on each balance sheet date and the impact due to such change, if any, is considered in the respective year.

Depreciation on property, plant and equipment

Depreciation on property, plant and equipment is calculated on a straight-line basis using the rates arrived at based on the useful lives estimated by the management. Considering the applicability of Schedule II of Companies Act, 2013, the management has re-estimated useful lives and residual values of all its property, plant and equipment. The management believes that depreciation rates currently used fairly reflect its estimate of the useful lives and residual values of property, plant and equipment, though these rates in certain cases are different from lives prescribed under Schedule II of the Companies Act, 2013.

Basis legal opinion obtained, management is of the view that application of CERC and/or SERC rates for the purpose of accounting for depreciation expenses is not mandatory. Hence, Company is depreciating the assets bases on life as determined by an expert.

B) Estimates and assumptions:

Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the DCF model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values.

Assumptions include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments. See note 27 and 28 for further disclosures.

S.R. BATLIBOI & CO. LLP * GURUGRAM *

Aalok Solarfarms Limited *

31 Capital management

For the purpose of the capital management, capital includes issued equity capital, compulsorily convertible debentures, share premium and all other equity reserves attributable to the equity holders of the Company. The primary objective of the Company's management is to maximise the shareholder value.

The Company manage their capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants.

To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Company monitor capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company includes within net debt, interest bearing loans and borrowings, other payables, less cash and short-term deposits.

The policy of the Company is to keep the gearing ratio of the power project to 3:1 during the construction phase and aim to enhance it to 4:1 post the construction phase. This is in line with the the industry standard ratios. The current gearing ratios for the various projects in the Company is between 3:1 to 4:1.

In order to achieve this overall objective, the capital management of the Company, amongst other things, aims to ensure that they meet financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current period.

No changes were made in the objectives, policies or processes for managing capital during the period ended 31 March 2019.

32 Commitments Liabilities and Contingencies
(to the extent not provided for)

(i) Contingent liabilities

At 31 March 2019, the Company has contingent liabilities of INR Nil (31 March 2018: Nil)

(ii) Commitments:

Estimated amount of contracts remaining to be executed on capital account and not provided for

At 31 March 2019, the Company has no capital commitment (net of advances) (31 March 2018: INR Nil).

33 Details of dues to Micro, Small and Medium Enterprises as defined under the MSMED Act, 2006

Under the Micro, Small and Medium Enterprises Development Act, 2006, (MSMED) which came into force from 2 October 2006, certain disclosure are required to be made relating to Micro, Small and Medium Enterprises. On the basis of the information and records available with the management, there are no outstanding dues to the Micro, Small and Medium Enterprises development Act, 2006.

Particulars	As at 31 March 2019	As at 31 March 2018
The principal amount and the interest due thereon (to be shown separately) remaining unpaid to any supplier as at the end of each accounting year/period	Nil	Nil
The amount of interest paid by the buyer in terms of section 16, of the Micro Small and Medium Enterprise Development Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year/period	Nil	Nil
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year/period) but without adding the interest specified under Micro Small and Medium Enterprise Development Act, 2006.	Nil	Nil
The amount of interest accrued and remaining unpaid at the end of each accounting year/period; and	Nil	Nil
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the Micro Small and Medium Enterprise Development Act, 2006	Nil	Nil

34 Pursuant to sections 135(5) of the companies act, 2013 and rules made thereunder, the Company needs to ensure that atleast 2% of the average net profit of the preceding three financial years is spend on CSR activities. Since the Company did not have average profit in the preceding three financial years, no amount is required to be spent on such CSR activities during the year ended 31 March, 2019.

35 There are no employees on the rolls of the company and therefore no employee benefit expense accrued in the financial statements.

36 Absolute amounts less than INR 500 are appearing in the financial statements as "0" due to presentation in thousands.

As per our report of even date
For S.R. Batliboi & Co. LLP
ICAI Firm Registration No.: 301003E/E300005
Chartered Accountants

per Amit Chugh
Partner
Membership No.: 505224
Place: Gurugram
Date: 10 May 2019

S.R. BATLIBOI & CO. LLP GURUGRAM

For and on behalf of the Aalok Solarfarms Limited

Director
(Bharat Bahl)
DIN- 07644015
Place: Gurugram
Date: 10 May 2019

Director
(Pawan Kumar Gupta)
DIN- 07700845
Place: Gurugram
Date: 10 May 2019

Aalok Solarfarms Limited