

Walker Chandiook & Co LLP

Walker Chandiook & Co LLP
(Formerly Walker, Chandiook & Co)
7th Floor, Plot No. 19A,
Sector 16A, Noida 201301
India

T +91 120 710 9001
F +91 120 710 9002

Independent Auditor's Report

To the Members of Inox Renewables (Jaisalmer) Limited

Report on the Financial Statements

1. We have audited the accompanying financial statements of Inox Renewables (Jaisalmer) Limited ("the Company"), which comprise the Balance Sheet as at 31 March 2016, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information

Management's Responsibility for the Financial Statements

2. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements, that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended). This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act; safeguarding the assets of the Company; preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

3. Our responsibility is to express an opinion on these financial statements based on our audit.
4. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.
5. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.



Chartered Accountants

Offices in Bengaluru, Chandigarh, Chennai, Gurgaon, Hyderabad, Kochi, Kolkata, Mumbai, New Delhi, Noida and Pune

Walker Chandiook & Co LLP is registered with limited liability with identification number AAC-2085 and its registered office at L-41 Connaught Circus, New Delhi, 110001, India

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

Opinion

8. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2016, and its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

9. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the Annexure I a statement on the matters specified in paragraphs 3 and 4 of the Order.
10. As required by Section 143(3) of the Act, we report that:
 - a. we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b. in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - c. the financial statements dealt with by this report are in agreement with the books of account;
 - d. in our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended);
 - e. on the basis of the written representations received from the directors as on 31 March 2016 and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2016 from being appointed as a director in terms of Section 164(2) of the Act;
 - f. we have also audited the internal financial controls over financial reporting (IFCoFR) of the Company as of 31 March 2016 in conjunction with our audit of the financial statements of the Company for the year ended on that date and our report dated 06 May 2016 as per annexure II expresses unmodified opinion; and
 - g. with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. the Company does not have any pending litigations which would impact its financial position;



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- ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses and
- iii. there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

Walker ChandioK & Co cel
For Walker ChandioK & Co LLP
(Formerly Walker, ChandioK & Co)
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Lalit Kumar

Per Lalit Kumar
Partner
Membership No.: 095256



Place: Noida

Date: 06 May 2016

Walker ChandioK & Co LLP

Annexure I to the Independent Auditor's Report of even date to the members of Inox Renewables Limited on the financial statements for the year ended 31 March 2016

Annexure I

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

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - (b) The fixed assets have been physically verified by the management during the year and no material discrepancies were noticed on such verification. In our opinion, the frequency of verification of the fixed assets is reasonable having regard to the size of the Company and the nature of its assets.
 - (c) The Company does not hold any immovable properties. Accordingly, the provisions of clause 3(ii)(c) of the Order are not applicable.
- (ii) The Company does not have any inventory. Accordingly, the provisions of clause 3(ii) of the Order are not applicable.
- (iii) The Company has granted interest bearing unsecured loans to companies covered in the register maintained under Section 189 of the Act; and with respect to the same:
 - (a) in our opinion the terms and conditions of grant of such loans are not, *prima facie*, prejudicial to the company's interest.
 - (b) the schedule of repayment of principal has been stipulated wherein the principal amounts are repayable on demand and since the repayment of such loans has not been demanded, in our opinion, repayment of the principal amount is regular;
 - (c) there is no overdue amount in respect of loans granted to such companies.
- (iv) In our opinion the, company has complied with the provisions of sections 185 and 186 of the Act in respect of loans, investments, guarantees, and security. Also refer to Note 15 in the financial statements.
- (v) The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.
- (vi) We have broadly reviewed the books of account maintained by the Company pursuant to the Rules made by the Central Government for the maintenance of cost records under sub-section (1) of Section 148 of the Act in respect of Company's products and services and are of the opinion that, *prima facie*, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (vii)(a) Undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, have generally been regularly deposited to the appropriate authorities, though there has been a slight delay in a few cases. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they became payable.



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Annexure I to the Independent Auditor's Report of even date to the members of Inox Renewables Limited on the financial statements for the year ended 31 March 2016

- (b) There are no dues in respect of income-tax, sales-tax, service tax, duty of customs, duty of excise and value added tax that have not been deposited with the appropriate authorities on account of any dispute.
- (viii) The Company has not defaulted in repayment of loans or borrowings to any bank or financial institution during the year. The Company did not have any outstanding debentures during the year.
- (ix) The Company did not raise moneys by way of initial public offer or further public offer (including debt instruments). In our opinion, the term loans were applied for the purpose for which the loans were obtained, though idle funds which were not required for immediate utilization were temporarily used for the purpose other than for which the loan was sanctioned but were ultimately utilized for the stated end-use.
- (x) No fraud by the Company or on the company by its officers or employees has been noticed or reported during the period covered by our audit.
- (xi) In our opinion, managerial remuneration has been paid in accordance with the requisite approvals mandated by the provisions of section 197 of the Act read with Schedule V to the Act.
- (xii) In our opinion, the Company is not a Nidhi Company. Accordingly, clause 3(xii) of the Order is not applicable.
- (xiii) In our opinion all transactions with the related parties are in compliance with sections 177 and 188 of Act, where applicable, and the requisite details have been disclosed in the financial statements etc., as required by the applicable accounting standards.
- (xiv) During the year, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures.
- (xv) The Company has not entered into any non-cash transactions with directors or persons connected with them.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

Walker ChandioK & Co LLP
For Walker ChandioK & Co LLP
(Formerly Walker, ChandioK & Co)
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Lalit Kumar
per Lalit Kumar
Partner
Membership No.: 095256



Place: Noida

Date: 06 May 2016

Annexure II to the Independent Auditor's Report of even date to the members of Inox Renewables (Jaisalmer) Limited on the financial statements for the year ended 31 March 2016

Annexure II

Independent Auditor's report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

1. In conjunction with our audit of the financial statements of Inox Renewables (Jaisalmer) Limited ("the Company") as of and for the year ended 31 March 2016, we have audited the internal financial controls over financial reporting (IFCoFR) of the company of as of that date.

Management's Responsibility for Internal Financial Controls

2. The Company's Board of Directors 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 (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of the company's business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

3. Our responsibility is to express an opinion on the Company's IFCoFR based on our audit. We conducted our audit in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India (ICAI) and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of IFCoFR, and the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate IFCoFR were established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the IFCoFR and their operating effectiveness. Our audit of IFCoFR included obtaining an understanding of IFCoFR, 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.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's IFCoFR.

Meaning of Internal Financial Controls over Financial Reporting

6. A company's IFCoFR 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 IFCoFR includes those policies and procedures



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Annexure II to the Independent Auditor's Report of even date to the members of Inox Renewables (Jaisalmer) Limited on the financial statements for the year ended 31 March 2016

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

7. Because of the inherent limitations of IFCoFR, 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 IFCoFR to future periods are subject to the risk that IFCoFR may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

8. In our opinion, the Company has, in all material respects, adequate internal financial controls over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2016, 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.

Walker Chandiook & Co LLP
For Walker Chandiook & Co LLP
(Formerly Walker, Chandiook & Co)
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Lalit Kumar
per Lalit Kumar
Partner
Membership No.: 095256



Place: Noida
Date: 06 May 2016

INOX RENEWABLES (JAISALMER) LIMITED
BALANCE SHEET AS AT 31 MARCH 2016
(All amounts in ₹lakh, unless otherwise stated)


	Notes	As at 31 March 2016	As at 31 March 2015
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	3	10,605.00	10,605.00
Reserves and surplus	4	2,459.04	2,237.34
		<u>13,064.04</u>	<u>12,842.34</u>
Non-current liabilities			
Long-term borrowings	5	20,899.62	22,261.50
Deferred tax liabilities	6	363.35	231.29
Long-term provisions	7	1.22	3.94
		<u>21,264.19</u>	<u>22,496.73</u>
Current liabilities			
Trade payables	8	152.52	-
Other current liabilities	9	2,580.60	2,540.92
Short-term provisions	10	16.32	123.61
		<u>2,749.44</u>	<u>2,664.53</u>
TOTAL		<u><u>37,077.67</u></u>	<u><u>38,003.60</u></u>
ASSETS			
Non-current assets			
Fixed assets			
Tangible assets	11	31,292.98	32,954.64
Long-term loans and advances	12	782.31	590.29
		<u>32,075.30</u>	<u>33,544.93</u>
Current assets			
Trade receivables	13	3,718.36	2,066.29
Cash and bank balances	14	231.84	2,349.72
Short-term loans and advances	15	1,030.87	37.12
Other current assets	16	21.31	5.54
		<u>5,002.37</u>	<u>4,458.67</u>
TOTAL		<u><u>37,077.67</u></u>	<u><u>38,003.60</u></u>

Notes 1 to 31 form integral part of the financial statements.

This is the balance sheet referred to in our report of even date.

Walker Chandniok & Co
For Walker Chandniok & Co LLP
(formerly Walker, Chandniok & Co)
Chartered Accountants

Lalit Kumar
per Lalit Kumar
Partner



Place: Noida
Date: 06 May 2016

For and on behalf of Board of Directors
of Inox Renewables (Jaisalmer) Limited

[Signature]
Director

[Signature]
Director

[Signature]
Company Secretary

[Signature]
Chief financial officer

INOX RENEWABLES (JAISALMER) LIMITED
 STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2016
 (All amounts in ₹lakh, unless otherwise stated)

	Notes	For the year ended 31 March 2016	For the year ended 31 March 2015
Revenue			
Revenue from operations	17	5,177.93	6,239.58
Other income	18	160.49	25.61
Total revenue		5,338.43	6,265.19
Expenses			
Depreciation	11	1,661.66	1,661.65
Operation and maintenance expenses	19	550.84	25.11
Employee benefits expense	20	91.33	90.91
Finance cost	21	2,596.20	2,806.43
Other expenses	22	83.82	77.76
Prior period items	23	-	4.55
Total expenses		4,983.85	4,666.41
Profit before tax		354.58	1,598.78
Tax expense:			
Current tax (Minimum alternate tax)		75.67	335.11
Less: Minimum alternate tax credit entitlement		(75.67)	(335.11)
Deferred tax	6	132.87	595.18
Profit after tax		221.71	1,003.61
Earning per equity share			
Basic and diluted (Nominal value of share ₹ 10)	24	0.21	0.95

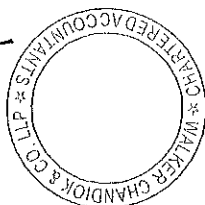
Notes 1 to 31 form integral part of the financial statements.

This is the statement of profit and loss referred to in our report of even date.

Walker Chandiook & Co LLP
 For Walker Chandiook & Co LLP
 (formerly Walker, Chandiook & Co)
 Chartered Accountants

For and on behalf of Board of Directors
 of Inox Renewables (Jaisalmer) Limited

Lalit Kumar
 per Lalit Kumar
 Partner



Place: Noida
 Date: 06 May 2016

[Signature]
 Director
 Company Secretary

[Signature]
 Director
 Chief financial officer

INOX RENEWABLES (JAISALMER) LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2016
(All amounts in ₹lakh, unless otherwise stated)

	For the year ended 31 March 2016	For the year ended 31 March 2015
A Cash flow from operating activities		
Net profit before tax	354.58	1,598.78
Adjustments for :		
Depreciation and common infrastructure charges	1,668.41	1,686.76
Interest and dividend income	(160.49)	(25.61)
Interest expense	2,596.20	2,815.51
Operating profit before working capital changes	4,458.70	6,075.44
Adjustments for:		
Increase in trade receivables	(1,652.07)	(232.87)
Increase in long-term loans and advances	-	(17.45)
Increase in short-term loans and advances	(15.75)	(0.79)
Increase in trade payables	152.52	-
Increase/Decrease in other current liabilities	4.22	(42.16)
Decrease in employee benefit	2.03	15.51
Cash generated from operations	2,949.65	5,797.68
Taxes paid	(311.64)	(199.09)
Net cash flow generated from operating activities	A 2,638.00	5,598.59
B Cash flow from investing activities		
Purchase of fixed assets	-	(0.10)
Investments in mutual fund	-	1,440.00
Inter corporate deposit given to holding company	(9,759.00)	-
Inter corporate deposit received back from holding company	8,781.00	-
Investment in bank deposits (having original maturity of more than three months)	576.68	(740.00)
Interest received	144.73	30.21
Net cash generated from/(used in) investing activities	B (256.59)	730.11
C Cash flow from financing activities		
Repayment of short-term borrowing	(312.00)	(3,288.00)
Proceeds from short-term borrowing	312.00	2,798.00
Repayment of long-term borrowing	(1,257.12)	(1,309.50)
Finance cost paid	(2,665.49)	(2,919.48)
Net cash used in financing activities	C (3,922.61)	(4,718.98)
Net increase/(decrease) in cash and cash equivalent (A+B+C)	(1,541.20)	1,609.72
Cash and cash equivalents as at the beginning of the year	1,609.72	-
Cash and cash equivalents as at the end of the year (refer note 14)	68.52	1,609.72
Components of cash and cash equivalents		
Cash in hand	-	-
Bank balances in current accounts	68.52	1,609.72
	68.52	1,609.72

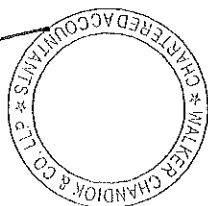
Notes 1 to 31 form integral part of the financial statements.

This is the cash flow statement referred to in our report of even date.
The cashflow has been prepared using indirect method as specified in AS-3.

Walker Chandok & Co LLP
For Walker Chandok & Co LLP
(formerly Walker, Chandok & Co)
Chartered Accountants

For and on behalf of Board of Directors
of Inox Renewables (Jaisalmer) Limited

per Lalit Kumar
Partner



Place: Noida
Date: 06 May 2016

[Signature]
Director
Company Secretary

[Signature]
Director

[Signature]
Chief financial officer

INOX RENEWABLES (JAISALMER) LIMITED

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2016

(All amounts are in ₹ lakh, unless otherwise stated)

1. Nature of operations

Inox Renewables (Jaisalmer) Limited (the 'Company') was incorporated on 24 July 2012 and is engaged in the business of generation of wind energy. The Company is a subsidiary of Inox Renewables Limited. The Company's registered office is situated at Vadodara, Gujarat. All the activities of the Company are in India.

2. Significant accounting policies

a) Basis of accounting

The financial statements have been prepared to comply with the Accounting Standards specified under section 133 of the Companies Act, 2013 read with rule 7 of the companies (Accounts) Rules 2014 (as amended). The financial statements have been prepared on a going concern basis under the historical cost convention on accrual basis. The accounting policies have been consistently applied by the Company.

b) Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent liabilities on the date of the financial statements and the results of operations during the reporting periods. Although these estimates are based upon management's knowledge of current events and actions, actual results could differ from those estimates and revisions, if any, are recognized in the current and future periods.

c) Fixed assets and depreciation

Fixed assets (gross block) are stated at historical cost less accumulated depreciation and impairment if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use.

Pursuant to the notification of Schedule II of the Companies Act, 2013, by the Ministry of Corporate Affairs effective 1 April 2014, the management has reassessed and changed, the useful lives to compute depreciation, to conform to the requirements of the Companies Act, 2013. Depreciation on fixed assets for the year ended 31 March 2015 and 31 March 2016 is provided on straight line method as per the rates prescribed under Schedule II of the Companies Act, 2013.

The adopted useful life is as follows:

Block of asset	Useful life as per Companies Act, 2013 (in years)
Plant and Machinery	22
Office equipments	5

The leasehold land is amortized on time proportion basis over the period of lease i.e. 19 years.



INOX RENEWABLES (JAISALMER) LIMITED

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2016

(All amounts are in ₹ lakh, unless otherwise stated)

d) Revenue recognition:

i) Sale of electricity

Revenue from generation and sale of electricity is recognized on the basis of actual power sold (net of reactive energy consumed) in accordance with the terms of power purchase agreements (PPA) entered with the respective customers and when no significant uncertainty exists regarding the amount of consideration that will be derived..

ii) Interest income

Interest income is recognized on time proportion basis taking into account the amount outstanding and applicable rate of interest.

e) Employee benefits :

Expenses and liabilities in respect of employee benefits are recorded in accordance with Revised Accounting Standard 15 - Employee Benefits (Revised 2005).

(i) Provident fund

The Company makes contribution to statutory provident fund, in accordance with Employees Provident Fund and Miscellaneous Provisions Act, 1952 that is a defined contribution plan and contribution paid or payable is recognized as an expense in the period in which the employee renders services

(ii) Gratuity

Gratuity is a post employment benefit and is in the nature of a defined benefit plan. The liability recognized in the balance sheet in respect of gratuity is the present value of the defined benefit obligation at the balance sheet date together with adjustments for unrecognized actuarial gains or losses and past service costs. The defined benefit obligation is calculated at the balance sheet date by an independent actuary using the projected unit credit method.

Actuarial gains and losses arising from past experience and changes in actuarial assumptions are charged or credited to the statement of profit and loss in the year in which such gains or losses are determined.

(iii) Compensated absences

Liability in respect of compensated absences becoming due or expected to be availed within one year from the balance sheet date is recognized on the basis of undiscounted value of estimated amount required to be paid or estimated value of benefit expected to be availed by the employees. Liability in respect of compensated absences becoming due or expected to be availed more than one year after the balance sheet date is estimated on the basis of an actuarial valuation performed by an independent actuary using the projected unit credit method.

Actuarial gains and losses arising from past experience and changes in actuarial assumptions are charged or credited to the statement of profit and loss in the year in which such gains or losses are determined.



INOX RENEWABLES (JAISALMER) LIMITED

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2016

(All amounts are in ₹ lakh, unless otherwise stated)

(iv) Other short term benefits

Expense in respect of short term benefits, if any, is recognized on the basis of the amount paid or payable for the employee.

f) Foreign currency transactions

Transactions in foreign currency and non-monetary assets are accounted for at the exchange rate prevailing on the date of the transaction. All monetary items denominated in foreign currency are converted at the yearend exchange rate.

The exchange differences arising on such conversion and on settlement of the transactions are recognized in the statement of profit and loss.

g) Investments

Investments are classified as long term or current, based on management's intention at the time of purchase. Investments that are readily realizable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long-term investments.

Trade investments are the investments made for or to enhance the Company's business interests. Current investments are stated at lower of cost and fair value determined on an individual investment basis. Long-term investments are stated at cost and provision for diminution in their value, other than temporary, is made in the financial statement

h) Borrowing costs

Borrowing costs that are attributable to the acquisition and/or construction of qualifying assets are capitalized as part of the cost of such assets, in accordance with notified Accounting Standard 16 "Borrowing Costs". A qualifying asset is one that necessarily takes a substantial period of time to get ready for its intended use. Capitalization of borrowing costs is suspended in the period during which the active development is delayed due to, other than temporary, interruption. All other borrowing costs are charged to the statement of profit and loss account as incurred.

i) Taxation

Tax expense comprises of current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income Tax Act, 1961. Deferred income taxes reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years.

Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets are recognized only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. However, the timing differences originating and reversing during the tax holiday period have not been considered while computing deferred tax.



INOX RENEWABLES (JAISALMER) LIMITED

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2016

(All amounts are in ₹ lakh, unless otherwise stated)

Minimum alternate tax (MAT) credit is recognized as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. In the year in which MAT credit becomes eligible to be recognized as an asset in accordance with the recommendations contained in guidance note issued by the Institute of Chartered Accountants of India, the said asset is created by way of a credit to the profit and loss account and shown as MAT credit entitlement. The Company reviews the same at each balance sheet date and writes down the carrying amount of MAT credit entitlement to the extent there is no longer convincing evidence to the effect that the Company will pay normal income tax during the specified period.

j) Impairment of assets

The Company assesses at each balance sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the company estimates the recoverable amount of the asset. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount and the reduction is treated as an impairment loss and is recognized in the statement of profit and loss. If at the balance sheet date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of depreciated historical cost and is accordingly reversed in the statement of profit and loss.

k) Contingent liabilities and provisions

The Company makes a provision when there is a present obligation as a result of a past event where the outflow of economic resources is probable and a reliable estimate of the amount of the obligation can be made.

A disclosure is made for a contingent liability when there is a:

- possible obligation, the existence of which will be confirmed by the occurrence/non-occurrence of one or more uncertain events, not fully within the control of the Company; or
- present obligation, where it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
- present obligation, where a reliable estimate cannot be made.

l) Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the period. The weighted average numbers of equity shares outstanding during the period are adjusted for events including a bonus issue, bonus element in a rights issue to existing shareholders, share split, and reverse share split (consolidation of shares).

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares



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INOX RENEWABLES (JAISALMER) LIMITED

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2016

(All amounts in ₹lakh, unless otherwise stated)

	As at 31 March 2016		As at 31 March 2015	
	Number of shares	Amount	Number of shares	Amount
3 Share capital				
Authorised share capital				
Equity shares of ₹ 10 each	106,100,000	10,610.00	106,100,000	10,610.00
Issued, subscribed and fully paid-up share capital				
Equity shares of ₹ 10 each	106,050,000	10,605.00	106,050,000	10,605.00
	<u>106,050,000</u>	<u>10,605.00</u>	<u>106,050,000</u>	<u>10,605.00</u>

a) There are no changes in the share capital in the current and immediately preceding financial year.

b) Rights/preferences and restrictions attached to equity shares

The Company has only one class of equity shares having par value of ₹10 per share. Each shareholder is eligible for one vote per share held.

The Company in General Meeting may declare dividends, to be paid to Members according to their respective rights and interest in the profits and may fix the time for payment and the Company shall comply with the provisions of Section 127 of the Act, but no dividends shall exceed the amount recommended by the Board of Directors. However, the Company may declare a smaller dividend than that recommended by the Board in General Meeting.

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

c) Details of shares held by holding company

Name of shareholder	As at 31 March 2016		As at 31 March 2015	
	Number of shares	% of holding	Number of shares	% of holding
Inox Renewables Limited*	106,050,000	100%	106,050,000	100%
	<u>106,050,000</u>	<u>100%</u>	<u>106,050,000</u>	<u>100%</u>

* Six hundred shares are held by six directors (100 shares each) in behalf of Inox Renewables Limited.

d) Details of shareholders holding more than 5% equity shares in the Company

Name of shareholder	As at 31 March 2016		As at 31 March 2015	
	Number of shares	% of holding	Number of shares	% of holding
Inox Renewables Limited	106,050,000	100%	106,050,000	100%
	<u>106,050,000</u>	<u>100%</u>	<u>106,050,000</u>	<u>100%</u>

e) During the period of five years immediately preceding 31 March 2016 the Company has not issued bonus shares, equity shares issued for considerations other than cash. During the said period no shares have been bought back.

f) There are no shares reserved for issue under options and contracts/commitments for the sale of shares as disinvestment.



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INOX RENEWABLES (JAISALMER) LIMITED

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2016

(All amounts in ₹lakh, unless otherwise stated)

	As at 31 March 2016	As at 31 March 2015
4 Reserves and surplus		
Surplus in the Statement of Profit and Loss		
Balance at the beginning of the year	2,237.34	1,233.73
Add: Transferred from Statement of Profit and Loss	221.71	1,003.61
Balance at the end of the year	2,459.04	2,237.34
5 Long-term borrowings		
Secured loan		
Term loan from others	22,261.50	23,518.62
	22,261.50	23,518.62
Less: Amount disclosed under the head "other current liabilities" (note 9)	(1,361.88)	(1,257.12)
Net amount	20,899.62	22,261.50
a) Details of terms of security of term loan from International Finance Corporation (including current maturities)		
i) Term loan from International Finance Corporation is secured by hypothecation of all movable and immovable fixed assets including cash flow and receivables of project assets of its Dangri (64MW) wind farm.		
ii) Corporate guarantee issued by Inox Renewables Limited (the holding company).		
b) Terms of repayment (including current maturities)		
The term loan is repayable in 28 installments which commenced from 14 October 2013 and the last instalment would be repayable in April 2027. The rate of interest on the loan is 11.44% per annum.		
6 Deferred tax liabilities (net)		
Deferred tax liability arising on account of :		
Difference between written down value of fixed assets as per books of accounts and tax records	843.65	429.12
Deferred tax asset arising on account of :		
Gratuity	(3.17)	-
Compensated absences	(2.90)	-
Carry forward of unabsorbed depreciation	(474.23)	(197.83)
	363.35	231.29
The Company has unabsorbed depreciation and carried forward losses under tax laws. Long-term power purchase agreements with power distribution entities supports the recognition of deferred tax assets in accordance with Accounting Standard-22, Accounting for Taxes on Income.		
7 Long-term provisions		
Provision for employee benefits		
- for compensated absences	0.39	1.73
- for gratuity	0.83	2.21
	1.22	3.94
8 Trade payables		
Due to:		
Micro enterprises and small enterprises (refer note 29)	-	-
Other than micro enterprises and small enterprises	152.52	-
	152.52	-

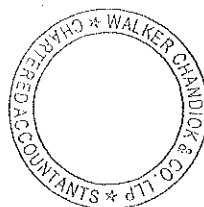


INOX RENEWABLES (JAISALMER) LIMITED

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2016

(All amounts in ₹lakh, unless otherwise stated)

	As at 31 March 2016	As at 31 March 2015
9 Other current liabilities		
Current maturities of long term borrowings (Refer note 5)	1,361.88	1,257.12
Interest accrued but not due on borrowings	1,179.16	1,248.46
Statutory dues	3.05	10.00
Other liabilities	36.51	25.34
	<u>2,580.60</u>	<u>2,540.92</u>
10 Short-term provisions		
Provision for income-tax (net of advance tax previous year ₹112.04)	-	112.04
Provision for employee benefits		
- for compensated absences	7.97	5.05
- for gratuity	8.34	6.52
	<u>16.32</u>	<u>123.61</u>

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INOX RENEWABLES (JAISALMER) LIMITED

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2016

(All amounts in ₹lakh, unless otherwise stated)

11. Tangible Fixed Assets

A. Tangible fixed assets

Gross carrying amount	Plant & Equipment	Office Equipment	Total Tangible Assets
Balance as at 31 March 2014	36,890.51	-	36,890.51
Additions	-	0.10	0.10
Adjustments	-	-	-
Balance as at 31 March 2015	36,890.51	0.10	36,890.61
Additions	-	-	-
Adjustments	-	-	-
Balance as at 31 March 2016	36,890.51	0.10	36,890.61
Accumulated depreciation			
Balance as at 31 March 2014	2,274.32	-	2,274.32
Depreciation charge	1,661.64	0.01	1,661.65
Balance as at 31 March 2015	3,935.96	0.01	3,935.97
Depreciation charge	1,661.64	0.02	1,661.66
Disposal/adjustments	-	-	-
Balance as at 31 March 2016	5,597.59	0.03	5,597.63
Net block			
Balance as at 31 March 2015	32,954.55	0.09	32,945.64
Balance as at 31 March 2016	31,292.91	0.07	31,292.98

*Effective from 1 April 2014, the Company has revised the estimates of computing depreciation based on the revised useful life of the assets as per the requirements of Schedule-II of the Companies Act. Consequently, the depreciation charged for the year ended 31 March 2015 was lower by ₹ 286.18 lacs and profit for the year was higher by the corresponding amount.



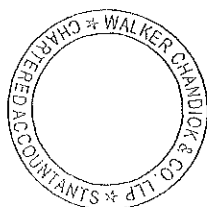
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INOX RENEWABLES (JAISALMER) LIMITED

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2016

(All amounts in ₹lakh, unless otherwise stated)

	As at 31 March 2016	As at 31 March 2015
12 Long-term loans and advances		
(Unsecured, considered good)		
Security deposits	0.20	0.20
Advance income tax (net of provision for income tax previous year ₹ nil)	123.13	-
Prepaid expenses	99.89	106.64
Minimum Alternate Tax credit recoverable	559.10	483.45
	<u>782.31</u>	<u>590.29</u>
13 Trade receivables		
(unsecured, considered good)		
Outstanding for more than six months from the date they become due for payment:	1,336.08	-
Others	2,382.28	2,066.29
	<u>3,718.36</u>	<u>2,066.29</u>
14 Cash and bank balances		
a) Cash and cash equivalents		
Balance with bank		
- on Current account	68.52	1,609.72
	<u>68.52</u>	<u>1,609.72</u>
b) Other bank balances		
-fixed deposit with remaining maturity of upto 12 months	163.32	740.00
	<u>231.84</u>	<u>2,349.72</u>
15 Short-term loans and advances		
(unsecured, considered good)		
Inter corporate deposit		
- Inox Renewables Limited	978.00	-
Prepaid expenses	52.87	37.12
	<u>1,030.87</u>	<u>37.12</u>
<p>The inter-corporate deposit to related parties is receivable on demand. The rate of interest on the deposit is 12% per annum. During the year, the company has advances funds to related party. The management, basis the legal opinion obtained, is of the view that the requirements of section 185 have been complied with in respect of such advances.</p>		
16 Other current assets		
Interest accrued but not due		
- on fixed deposit	4.16	5.54
- on inter corporate deposits	17.15	-
	<u>21.31</u>	<u>5.54</u>



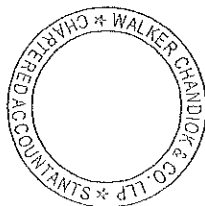
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INOX RENEWABLES (JAISALMER) LIMITED

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2016

(All amounts in ₹ lakh, unless otherwise stated)

	For the year ended 31 March 2016	For the year ended 31 March 2015
17 Operating revenue		
Revenue from power generation	5,177.93	6,239.58
	<u>5,177.93</u>	<u>6,239.58</u>
Details of sale of product		
Sale of wind energy (power)	4,722.13	5,669.52
Income from green benefit incentive	455.80	570.06
	<u>5,177.93</u>	<u>6,239.58</u>
18 Other income		
Interest income	158.16	13.27
Gain on redemption of mutual fund units	-	12.34
Excess tax provision written back	2.33	-
	<u>160.49</u>	<u>25.61</u>
19 Operation and maintenance expenses		
Operations and maintenance expenses	544.08	-
Common infrastructure charges	6.76	25.11
	<u>550.84</u>	<u>25.11</u>
20 Employee benefits expense		
Salary and wages	83.32	71.42
Contribution to employee benefits	4.40	15.51
Contribution to provident and other funds	3.61	3.98
	<u>91.33</u>	<u>90.91</u>
21 Finance costs		
Interest on		
Term loan from International Finance Corporation	2,595.99	2,733.83
Loan from related parties	0.21	56.18
Other finance cost	0.01	16.42
	<u>2,596.20</u>	<u>2,806.43</u>
22 Other expenses		
Rent	1.52	1.50
Rates and taxes	0.16	0.14
Legal and professional charges	20.72	17.62
Payment to auditor (Refer note 25)	4.01	3.37
Insurance	33.48	31.57
Loss on insurance claim receivable	5.11	-
Business support charges	-	6.16
Bank charges	9.40	9.08
Miscellaneous expenses	9.42	8.31
	<u>83.82</u>	<u>77.76</u>
23 Prior period expense		
Interest on term loan	-	3.38
Rates and taxes	-	1.17
	<u>-</u>	<u>4.55</u>
24 Basic and diluted earning per share		
Net profit attributable to equity shareholders	221.71	1,003.61
Number of fully paid equity shares at the end of the year	1,060.50	1,060.50
Weighted average number of equity shares outstanding during the year	1,060.50	1,060.50
Nominal value of equity share (₹)	10	10
Basic and diluted earnings per equity share (₹)	0.21	0.95



INOX RENEWABLES (JAISALMER) LIMITED

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2016

(All amounts are in ₹ lakh, unless otherwise stated)

25. Payment to auditors

Particulars	31 March 2016	31 March 2015
Statutory audit	2.00	1.50
Other services	1.50	1.50
Service tax	0.51	0.37
Total	4.01	3.37

26. Employee benefits:

- a) **Defined benefit plans:** The amounts recognised in respect of gratuity and compensated absence, as per actuarial valuation, are as under:-

A. Gratuity

Amount recognised in the statement of profit and loss is as under:

S.No.	Description	31 March 2016	31 March 2015
a)	Current service cost	2.00	2.29
b)	Interest cost	0.68	-
c)	Actuarial (gain)/loss recognised during the year	2.24	6.45
d)	Expense recognised in the statement of profit and Loss	0.44	8.73

Movement in the liability recognised in the balance sheet is as under:

S.No	Description	31 March 2016	31 March 2015
a)	Present value of defined benefit obligation as the beginning of the year	8.73	-
b)	Current service cost	2.00	2.29
c)	Interest cost	0.68	-
d)	Actuarial (gain)/loss recognised during the year	2.24	6.45
e)	Contributions paid	-	-
f)	Present value of defined benefit obligation as at the end of the year	9.17	8.73

For determination of the gratuity liability of the Company, the following actuarial assumptions were used:

S.No.	Description	31 March 2016	31 March 2015
a)	Discount rate	7.46%	7.77%
b)	Rate of increase in compensation level	8.00%	8.00%
c)	Attrition rate (Up to 42 years)	5.00%	5.00%
d)	Retirement age	60 Years	60 years
e)	Mortality	IALM (2006-08) Ult	IALM (2006-08) Ult



INOX RENEWABLES (JAISALMER) LIMITED

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2016

(All amounts are in ₹ lakh, unless otherwise stated)

Experience adjustments

Description	31 March 2016	31 March 2015
Present value of defined benefit obligations	9.17	8.73
Experience (gain)/loss on obligation	(2.26)	6.45

The Company was incorporated in 24 July' 2012 and started its operation in 2012-13, but since employee related expenses are incurred from previous year, no obligation or asset were present prior to financial year 2014-15.

B. Compensated absences

Amount recognised in the statement of profit and loss is as under:

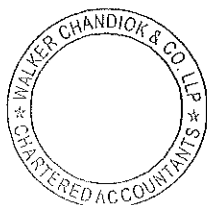
S.No.	Description	31 March 2016	31 March 2015
a)	Current service cost	2.33	1.67
b)	Interest cost	0.32	-
c)	Actuarial (gain)/loss recognised during the year	1.63	5.11
d)	Expense recognised in the statement of profit and loss	1.59	6.78

Movement in the liability recognised in the balance sheet is as under:

S.No.	Description	31 March 2016	31 March 2015
a)	Present value of defined benefit obligation as at the beginning of the year	6.78	-
b)	Current service cost	2.33	1.67
c)	Interest cost	0.32	-
d)	Actuarial (gain)/loss recognised during the year	1.06	5.10
e)	Contributions paid	-	-
f)	Present value of defined benefit obligation as at the end of the year	8.37	6.78

For determination of the compensation absence liability of the Company, the following actuarial assumptions were used:

S.No.	Description	31 March 2016	31 March 2015
a)	Discount rate	7.46%	7.77%
b)	Rate of increase in compensation level	8.00%	8.00%
c)	Attrition rate (Up to 42 years)	5.00%	5.00%
d)	Retirement age	60 Years	60 years
e)	Mortality	IALM (2006-08) Ult	IALM (2006-08) Ult



INOX RENEWABLES (JAISALMER) LIMITED

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2016

(All amounts are in ₹ lakh, unless otherwise stated)

Experience adjustments

Description	31 March 2016	31 March 2015
Present value of defined benefit obligations	5.11	4.08
Experience (gain)/loss on obligation	(1.65)	2.41

The Company was incorporated in 24 July' 2012 and started its operation in 2012-13, but since employee related expenses are incurred from previous year, no obligation or asset were present prior to financial year 2014-15.

C. Provident fund

The Company makes contribution to statutory provident fund in accordance with Employees Provident Fund and Miscellaneous Provision Act, 1952. This is post-employment benefit and is in the nature of defined benefit contribution. Contribution made by the Company during the year is ₹ 3.61 lakh (previous year ₹7.07 lakh).

27. The Company is engaged in the business of generation of wind energy which as per notified Accounting Standard 17 on "Segment Reporting" of the Companies (Accounting Standards) Rules 2006, is considered to be the only reportable business segment. The Company is operating in India which is considered as a single geographical segment

28. Related party disclosure:

Information required to be disclosed under the Accounting Standard 18 on 'Related Party Disclosures are given below:

a) Relationships

(i) Holding/ultimate holding company:

Inox Renewables Limited- Holding company
Gujarat Fluorochemicals Limited- Holding company of Inox Renewables Limited
Inox Leasing and Finance Limited- Ultimate holding company

(ii) Key management personnel

Mr. Devansh Jain

(iii) Fellow subsidiary entities at any time during the year with whom there are transactions during the year

Inox Wind Limited
Inox Wind Infrastructure Services Limited



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INOX RENEWABLES (JAISALMER) LIMITED

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2016
(All amounts in ₹ lakh, unless otherwise stated)

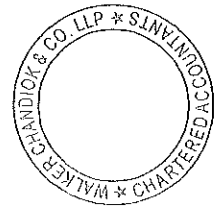
b) The following transactions were carried out with related parties in the ordinary course of business

Particulars	Holding company		Fellow subsidiary	
	Inox Renewables Limited	Inox Wind Limited	Inox Wind Infrastructure Services Limited	Inox Wind Infrastructure Services Limited
Transactions during the period	31-Mar-16	31-Mar-15	31-Mar-16	31-Mar-15
Unsecured loan received	312.00	2,798.00	-	-
Unsecured loan repaid	312.00	3,288.00	-	-
Unsecured loan given	9,759.00	611.00	-	-
Unsecured loan received back	8,781.00	611.00	-	-
Interest expense on unsecured loan	0.21	56.18	-	-
Interest income on unsecured loan	144.90	5.09	-	-
Expenses incurred on behalf of company	0.44	4.94	182.40	11.22
Operation and maintenance charges	-	-	-	36.97
Accounting charges	-	-	-	544.08
				1.12

*The Company has taken office space and electricity consumed at such office free of cost from Gujarat Fluorochemicals Limited, the holding company.

c) Balance outstanding during the year

Particulars	Holding company		Fellow subsidiary	
	Gujarat Fluorochemicals Limited	Inox Renewables Limited	Inox Wind Limited	Inox Wind Infrastructure Services Limited
	31-Mar-16	31-Mar-15	31-Mar-16	31-Mar-15
Inter corporate deposit receivable	-	-	978.00	-
Interest accrued but not due on borrowings	-	-	-	10.07
Interest receivable	-	-	17.15	-
Other liabilities	-	1.25	5.11	0.19
			8.14	6.04
				152.52



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INOX RENEWABLES (JAISALMER) LIMITED

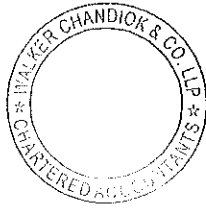
Summary of significant accounting policies and other explanatory information for the year ended 31 March 2016

(All amounts are in ₹ lakh, unless otherwise stated)

29. Based on the information available with the Company, there are no dues outstanding in respect of micro, small and medium enterprises as defined in Micro, Small and Medium Enterprises Development Act, 2006 (MSMEDA) at the balance sheet date. No amounts were payable to such enterprises which were outstanding for more than 45 days. Further, no interest during the year has been paid or payable in respect thereof. The above disclosure has been determined to the extent such parties have been identified on the basis of information available with the Company.
30. As per the provisions of section 135 of the Companies Act, 2013 every company having net worth of ₹ 500 crore or more or turnover of ₹ 1,000 crore or more or a net profit of ₹5 crore or more during any of the three preceding financial years, shall spend atleast 2 percent of the average net profits of the company made during the three immediately preceding financial years. The Company has not spent such amount during the year as it is under the process to identify the projects for incurring such expenditure.
31. Previous year amounts have been regrouped/ rearranged wherever considered necessary to make them comparable with those of the current year.

Walker Chandiook & Co LLP
For Walker Chandiook & Co LLP
(formerly Walker, Chandiook & Co)
Chartered Accountants

Lalit Kumar
Per Lalit Kumar
Partner



For and on behalf of the Board of Directors of
Inox Renewables (Jaisalmer) Limited

[Signature]
Director

[Signature]
Director

[Signature]
Company Secretary

[Signature]
Chief Financial Officer

Place: Noida

Date: 06 May 2016