

**SARAYU WIND POWER (KONDAPURAM)  
PRIVATE LIMITED**

**ANNUAL ACCOUNTS**

**2015-2016**

**Independent Auditor's Report to the members of Sarayu Wind Power (Kondapuram) Private Limited**

**Report on the Financial Statements**

We have audited the accompanying financial statements of **Sarayu Wind Power (Kondapuram) Private Limited** ("the Company"), which comprise the Balance Sheet as at 31<sup>st</sup> March 2016, the Statement of Profit and Loss and 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**

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

**Auditor's Responsibility**

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

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

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



**Independent Auditor's Report to the members of Sarayu Wind Power (Kondapuram) Private Limited on the Financial Statements for the year ended 31<sup>st</sup> March 2016 (continued)**

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 control 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.

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**

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<sup>st</sup> March 2016 and its loss and cash flows for the year ended on that date.

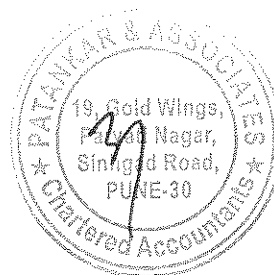
**Emphasis of Matters**

We draw attention to note no. 2 to the financial statements which indicate that the Company has accumulated losses and its net worth is fully eroded, the Company has incurred net cash loss during the current and previous year and the Company's current liabilities exceed its current assets as at the balance sheet date. These conditions indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. However, the financial statements of the Company have been prepared on a going concern basis for the reasons stated in the said note.

Our opinion is not modified in respect of the above matter.

**Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2016 issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure I a statement on the matters specified in paragraph 3 and 4 of the said 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.



**Independent Auditor's Report to the members of Sarayu Wind Power (Kondapuram) Private Limited on the Financial Statements for the year ended 31<sup>st</sup> March 2016 (continued)**

- (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- (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.
- (e) The going concern matter described under the Emphasis of Matter paragraph above, in our opinion, may have an adverse effect on the functioning of the Company.
- (f) On the basis of the written representations received from the directors as on 31<sup>st</sup> March, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March 2016 from being appointed as a director in terms of Section 164 (2) of the Act.
- (g) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in Annexure II.
- (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, 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; and
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.


**Other Matters**

The financial statements of the Company for the year ended 31<sup>st</sup> March 2015 were audited by another auditor who expressed an unmodified opinion on those statements on 1<sup>st</sup> September 2015.

Place: Pune  
Date: 5<sup>th</sup> May, 2016



For Patankar & Associates,  
Chartered Accountants  
Firm's Registration No. 107628W

  
S S Agrawal  
Partner  
Membership No. 049051

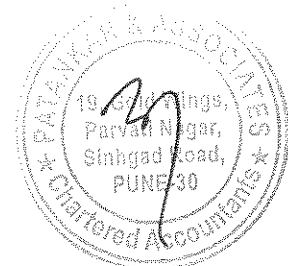
**Annexure I to Independent Auditor's Report to the members of Sarayu Wind Power (Kondapuram) Private Limited on the financial statements for the year ended 31<sup>st</sup> March 2016 – referred to in paragraph 1 under the heading "Report on Other Legal and Regulatory Requirements" of our report of even date.**

In term of the Companies (Auditor's Report) Order, 2016 ("the Order"), on the basis of information and explanation given to us and the books and records examined by us in the normal course of audit and such checks as we considered appropriate, to the best of our knowledge and belief, we state as under:

1. The Company does not have any fixed assets and hence the provisions of clause 3(i) of the Order are not applicable to the Company.
2. In view of nature of the inventories viz. project development, the provisions of clause 3(ii) of the Order are considered as not applicable to the Company.
3. The Company has not granted any loan, 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 and hence the provisions of clause 3(iii) of the Order are not applicable to the Company.
4. The Company has not granted any loans, or made any investments, or provided any guarantees or security to the parties covered under section 185 and 186 of the Companies Act, 2013 and hence the provisions of clause 3(iv) of the Order are not applicable to the Company.
5. The Company has not accepted any deposits within the meaning of section 73 to 76 of the Companies Act, 2013 and the Rules framed thereunder and hence the provisions of clause 3(v) of the Order are not applicable to the Company.
6. The Central Government has not prescribed maintenance of cost records under section 148(1) of the Companies Act, 2013 for the activities of the Company and hence the provisions of clause 3(vi) of the Order are not applicable to the Company.
7. The Company is generally regular in depositing with appropriate authorities undisputed statutory dues in respect of income-tax. No payments were due in respect of provident fund, employee's state insurance, sales tax, service-tax, duty of customs, duty of excise, value added tax and cess. There are no undisputed amounts payable in respect of such statutory dues which were in arrears as at 31<sup>st</sup> March 2016 for a period of more than six months from the date they become payable.

There are no dues of income tax, sales tax, service tax, duty of customs, duty of excise or value added tax, which have not been deposited on account of disputes.

8. The Company does not have any borrowings from financial institutions or bank or Government or by way of debentures and hence the provisions of clause 3(viii) of the Order are not applicable to the Company.



**Annexure I to Independent Auditor's Report to the members of Sarayu Wind Power (Kondapuram) Private Limited on the Financial Statements for the year ended 31<sup>st</sup> March 2016 (continued)**

9. The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) or term loans and hence the provisions of clause 3(ix) of the Order are not applicable to the Company.
10. No fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
11. The Company has not paid any managerial remuneration and hence the provisions of clause 3(xi) of the Order are not applicable to the Company.
12. The Company is not a Nidhi Company and hence the provisions of clause 3(xii) of the Order are not applicable to the Company.
13. All transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 and the details have been disclosed in the financial statements as required by the applicable accounting standards.
14. 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 the provisions of clause 3(xiv) of the Order are not applicable to the Company.
15. The Company has not entered into any non-cash transactions with directors or persons connected with him and hence the provisions of clause 3(xv) of the Order are not applicable to the Company.
16. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 and hence the provisions of clause 3(xvi) of the Order are not applicable to the Company.

Place: Pune  
Date: 5<sup>th</sup> May, 2016



For Patankar & Associates,  
Chartered Accountants  
Firm's Registration No. 107628W



S S Agrawal  
Partner  
Membership No. 049051

**Annexure II to Independent Auditor's Report to the members of Sarayu Wind Power (Kondapuram) Private Limited on the financial statements for the year ended 31<sup>st</sup> March 2016 – referred to in paragraph 2(g) under the heading "Report on Other Legal and Regulatory Requirements" of our report of even date.**

**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 with reference to financial statements over financial reporting of **Sarayu Wind Power (Kondapuram) Private Limited** ("the Company") as of 31<sup>st</sup> March 2016 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 (the "Guidance Note") issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to 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 ("the Act").

**Auditors' Responsibility**

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements system over financial reporting and their operating effectiveness.

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



**Annexure II to Independent Auditor's Report to the members of Sarayu Wind Power (Kondapuram) Private Limited on the Financial Statements for the year ended 31<sup>st</sup> March 2016 (continued)**

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

**Meaning of Internal Financial Controls Over Financial Reporting**

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

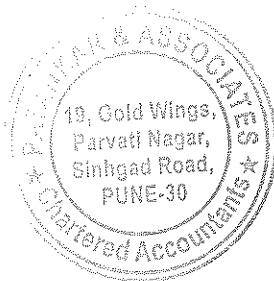
**Inherent Limitations of Internal Financial Controls Over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.


**Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial control system with reference to financial statements system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31<sup>st</sup> 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 ICAI.

Place: Pune  
Date: 5<sup>th</sup> May, 2016



For Patankar & Associates,  
Chartered Accountants  
Firm's Registration No. 107628W

  
S S Agrawal  
Partner  
Membership No. 049051




**SARAYU WIND POWER (KONDAPURAM) PRIVATE LIMITED**  
**Balance Sheet as at 31st March 2016**

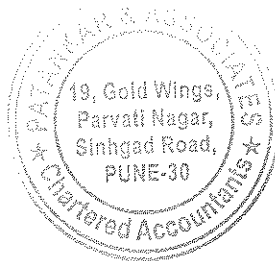
|                                    |             | (Amounts in Rs.)        |                        |
|------------------------------------|-------------|-------------------------|------------------------|
|                                    | Note<br>No. | As at<br>31-Mar-2016    | As at<br>31-Mar-2015   |
| <b>I. EQUITY &amp; LIABILITIES</b> |             |                         |                        |
| <b>1. Shareholders' funds</b>      |             |                         |                        |
| (a) Share capital                  | 4           | 1,00,000                | 1,00,000               |
| (b) Reserves and surplus           | 5           | (10,55,077)             | (97,826)               |
|                                    |             | <u>(9,55,077)</u>       | <u>2,174</u>           |
| <b>2. Non-current liabilities</b>  |             |                         |                        |
| (a) Long term borrowing            | 6           | -                       | 8,87,000               |
|                                    |             | -                       | <u>8,87,000</u>        |
| <b>3. Current liabilities</b>      |             |                         |                        |
| (a) Short term borrowings          | 7           | 1,07,87,000             | -                      |
| (b) Other current liabilities      | 8           | 39,186                  | 19,550                 |
|                                    |             | <u>1,08,26,186</u>      | <u>19,550</u>          |
| <b>Total</b>                       |             | <u><u>98,71,109</u></u> | <u><u>9,08,724</u></u> |
| <b>II. ASSETS</b>                  |             |                         |                        |
| <b>1. Non-current assets</b>       |             |                         |                        |
| (a) Capital work-in-progress       |             | -                       | 8,80,000               |
| (b) Deferred tax assets (net)      |             | -                       | 7,435                  |
|                                    |             | -                       | <u>8,87,435</u>        |
| <b>2. Current assets</b>           |             |                         |                        |
| (a) Inventories                    | 9           | 98,47,000               | -                      |
| (b) Cash and bank balances         | 10          | 24,109                  | 21,289                 |
|                                    |             | <u>98,71,109</u>        | <u>21,289</u>          |
| <b>Total</b>                       |             | <u><u>98,71,109</u></u> | <u><u>9,08,724</u></u> |

The accompanying notes are an integral part of the financial statements

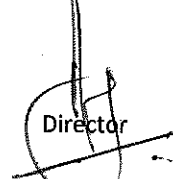
As per our report of even date attached  
For Patankar & Associates  
Chartered Accountants

  
(S S Agrawal)  
Partner

Place: Pune  
Date: 5th May, 2016



For Sarayu Wind Power (Kondapuram)  
Private Limited

  
Director

  
Director


Place: Noida  
Date: 5th May, 2016

**SARAYU WIND POWER (KONDAPURAM) PRIVATE LIMITED**  
**Statement of Profit and Loss for the Year ended 31st March 2016**

|  |             | (Amounts in Rs.)          |                           |
|--|-------------|---------------------------|---------------------------|
|  | Note<br>No. | Year ended<br>31-Mar-2016 | Year ended<br>31-Mar-2015 |
| <b>REVENUE</b>   |             | Nil                       | Nil                       |
| <b>EXPENSES</b>  |             |                           |                           |
| Project development expenses                           | 11          | 98,47,000                 | -                         |
| Changes in work-in-progress                            | 12          | (98,47,000)               | -                         |
| Finance costs  | 13          | 14,186                    | -                         |
| Other expenses   | 14          | 9,35,630                  | 28,172                    |
| <b>Total expenses</b>                                  |             | <u>9,49,816</u>           | <u>28,172</u>             |
| <b>Loss before tax</b>                                 |             | <b>(9,49,816)</b>         | <b>(28,172)</b>           |
| <b>Tax expense</b>                                     |             |                           |                           |
| - Prior period taxation - deferred tax written off     |             | 7,435                     | -                         |
|  |             | <u>7,435</u>              |                           |
| <b>Loss for the year</b>                               |             | <u><b>(9,57,251)</b></u>  | <u><b>(28,172)</b></u>    |
| Basic and diluted loss per equity share of Rs. 10 each | 20          | (95.73)                   | (2.82)                    |

The accompanying notes are an integral part of the financial statements

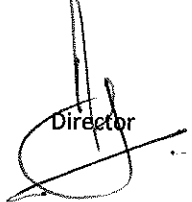
As per our report of even date attached  
For Patankar & Associates  
Chartered Accountants

  
(S S Agrawal)  
Partner

Place: Pune  
Date: 5th May, 2016



For Sarayu Wind Power (Kondapuram)  
Private Limited

  
Director

  
Director

Place: Noida  
Date: 5th May, 2016

**SARAYU WIND POWER (KONDAPURAM) PRIVATE LIMITED**  
**Cash Flow Statement for the year ended 31st March 2016**

|   | Year ended<br>31-Mar-2016 | (Amounts in Rs.)<br>Year ended<br>31-Mar-2015 |
|---|---------------------------|---|
| <b>A Cash flow from operating activities</b>            |                           |   |
| Net loss before tax                                     | (9,49,816)                | (28,172)                                      |
|   | <u>(9,49,816)</u>         | <u>(28,172)</u>                               |
| <b>Adjustments for :</b>                                |                           |   |
| Capital work-in-progress written off                    | 8,80,000                  | -   |
| Finance costs   | 14,186                    | -   |
| <b>Operating loss before working capital changes</b>    | <u>(55,630)</u>           | <u>(28,172)</u>                               |
| <b>Adjustments for :</b>                                |                           |   |
| Other current liabilities                               | 6,869                     | 123   |
| Inventories   | (98,47,000)               | -   |
| <b>Cash used in operations</b>                          | <u>(98,95,761)</u>        | <u>(28,049)</u>                               |
| Income-tax paid   | -                         | -   |
| <b>Net cash used in operating activities</b>            | <u>(98,95,761)</u>        | <u>(28,049)</u>                               |
| <b>B Cash flow from financing activities</b>            |                           |   |
| Inter-corporate deposit received                        | 1,07,87,000               | -   |
| Inter-corporate deposit and loan from director repaid   | (8,87,000)                | -   |
| Finance cost  | (1,419)                   | -   |
| <b>Net cash generated from financing activities</b>     | <u>98,98,581</u>          | <u>-</u>                                      |
| Net increase/(decrease) in cash and cash equivalents    | 2,820                     | (28,049)                                      |
| Cash and cash equivalents at the beginning of the year  | 21,289                    | 49,338  |
| <b>Cash and cash equivalents at the end of the year</b> | <u>24,109</u>             | <u>21,289</u>                                 |

Notes:

- The above cash flow statement has been prepared and presented under 'Indirect Method'.
- The components of cash and cash equivalents are as per note no. 10.
- The accompanying notes are an integral part of the financial statements

As per our report of even date attached

For Patankar & Associates  
Chartered Accountants

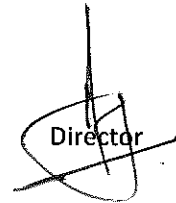


(S S Agrawal)  
Partner

Place: Pune  
Date: 5th May, 2016



For Sarayu Wind Power (Kondapuram)  
Private Limited



Place: Noida  
Date: 5th May, 2016



**SARAYU WIND POWER (KONDAPURAM) PRIVATE LIMITED**  
**Notes to the financial statements for the year ended 31<sup>st</sup> March 2016**

**1. Corporate Information**

Sarayu Wind Power (Kondapuram) Private Limited (the "Company") is engaged in the business of development of Wind Farm. The Company became a wholly owned subsidiary of Inox Wind Infrastructure Services Limited w.e.f. 25<sup>th</sup> March 2016. The area of operations of the Company is within India.

**2. Basis of Preparation:**

These financial statements have been prepared in accordance with the generally accepted accounting principles in India, under the historical cost convention and on accrual basis. These financial statements comply in all material respects with the applicable Accounting Standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014.

Figures of previous year have been regrouped/reclassified wherever necessary, to confirm with the classification of the current year.

*Going Concern*

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

**3. Significant Accounting Policies followed are as under-**

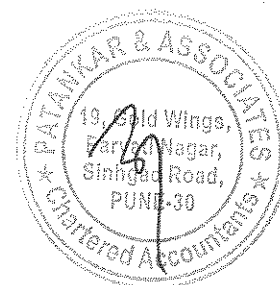
**a) Revenue recognition:**

**In respect of project development:** Revenue from development of Wind Farm is recognized when the wind farm sites are transferred to the customers in terms of the respective contracts and is net of taxes.

**Other Income:** Interest income is recognized on time proportion basis.

**b) Inventories:**

Project development work in progress is valued at lower of cost and net realizable value. Cost includes all directly attributable expenses.



**SARAYU WIND POWER (KONDAPURAM) PRIVATE LIMITED**  
**Notes to the financial statements for the year ended 31<sup>st</sup> March 2016**

**3. Significant Accounting Policies – continued**

**c) Borrowing costs:**

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such assets. All other borrowing costs are recognized as expenses in the Statement of Profit and Loss.

**d) Taxes on income:**

Income tax expense comprises of current tax and deferred tax charge. Deferred tax is recognized, subject to consideration of prudence, on timing differences, being the differences between taxable incomes and accounting income that originate in one period and are capable of reversal in one or more subsequent periods.

**e) Provisions & contingent liabilities:**

A provision is recognized when the Company has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation and in respect of which a reliable estimate can be made. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When there is possible obligation or a present obligation in respect of which the likelihood of outflow of resource is remote, no provision or disclosure is made.

**f) Use of estimates:**

The preparation of financial statements in conformity with Indian GAAP requires the management to make judgements, estimates and assumptions that affect the reported balances of assets and liabilities and disclosure of contingent liabilities, at the end of the accounting year and reported amounts of revenue and expenses during the year. Although these estimates are based on the management's knowledge of current events and actions, uncertainty about these assumptions and estimates could result in outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.



**SARAYU WIND POWER (KONDAPURAM) PRIVATE LIMITED**  
**Notes to the financial statements for the year ended 31st March 2016**

|   | (Amounts in Rs.)     |                      |
|---|----------------------|----------------------|
|   | As at<br>31-Mar-2016 | As at<br>31-Mar-2015 |
| <b>4: Share capital</b>                             |                      |                      |
| <b>Authorized share capital</b>                     |                      |                      |
| 50,000 equity shares of Rs. 10/- each               | 5,00,000             | 5,00,000             |
| <b>Issued, subscribed and fully paid up capital</b> |                      |                      |
| 10,000 equity shares of Rs. 10/- each               | 1,00,000             | 1,00,000             |
|   | <b>1,00,000</b>      | <b>1,00,000</b>      |

**a) Terms/rights attached to equity shares**

The Company has only one class of equity shares having par value of Rs. 10 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to approval of the shareholders in the ensuing Annual 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.

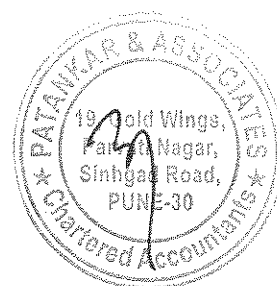
**b) Shares held by holding company**

|   | As at 31-Mar-2016 |          | As at 31-Mar-2015 |        |
|---|-------------------|----------|-------------------|--------|
|   | No. of shares     | Amount   | No. of shares     | Amount |
| Inox Wind Infrastructure Services Limited (*)<br>(w.e.f. 25th March 2016) | 10,000            | 1,00,000 | -                 | -      |

**c) Details of shareholders holding more than 5 % shares in Company:**

|   | As at 31-Mar-2016 |              | As at 31-Mar-2015 |              |
|---|-------------------|--------------|-------------------|--------------|
|   | No. of shares     | % of holding | No. of shares     | % of holding |
| Inox Wind Infrastructure Services Limited (*) | 10,000            | 100%         | -                 | -            |
| G. V. B. K. Raju                              | -                 | -            | 5,000             | 50%          |
| M. A. S. Raju                                 | -                 | -            | 5,000             | 50%          |

(\*) Including shares held through nominee shareholders



**SARAYU WIND POWER (KONDAPURAM) PRIVATE LIMITED**  
**Notes to the financial statements for the year ended 31st March 2016**

|  | (Amounts in Rs.)     |                     |
|--|----------------------|---------------------|
|  | As at<br>31-Mar-2016 | As at<br>31-03-2015 |
| <b>5: Reserves and surplus</b>   |                      |                     |
| <b>Deficit in the Statement of Profit and Loss</b>                             |                      |                     |
| Deficit as per last balance sheet  | (97,826)             | (69,654)            |
| Add: Loss for the year   | (9,57,251)           | (28,172)            |
| Deficit as at the end of the year  | <u>(10,55,077)</u>   | <u>(97,826)</u>     |
| <b>6: Long term borrowings</b>   |                      |                     |
| Loans and advances from related party - unsecured (see note no.16)             |                      |                     |
| Loan from director   | -                    | 87,000              |
| Inter-corporate deposit  | -                    | 8,00,000            |
|  | <u>-</u>             | <u>8,87,000</u>     |
| The above long term borrowings were interest free                              |                      |                     |
| <b>7: Short-term borrowings</b>  |                      |                     |
| Inter-corporate deposit from holding company (see note no.16)                  | 1,07,87,000          | -                   |
|  | <u>1,07,87,000</u>   | <u>-</u>            |
| Inter-corporate deposit is repayable on demand and carries interest @ 12% p.a. |                      |                     |
| <b>8: Other current liabilities</b>  |                      |                     |
| Interest accrued and due on borrowings   | 12,767               | -                   |
| Statutory dues & taxes payable   | 1,419                | -                   |
| Other Payables   | 25,000               | 19,550              |
|  | <u>39,186</u>        | <u>19,550</u>       |



**SARAYU WIND POWER (KONDAPURAM) PRIVATE LIMITED**  
**Notes to the financial statements for the year ended 31st March 2016**

|   | (Amounts in Rs.)     |                     |
|---|----------------------|---------------------|
|   | As at<br>31-Mar-2016 | As at<br>31-03-2015 |
| <b>9: Inventories</b>                               |                      |                     |
| (for basis of valuation please refer note no. 3(b)) |                      |                     |
| Project development work-in-progress                | 98,47,000            | -                   |
|   | <b>98,47,000</b>     | <b>-</b>            |
| <b>10: Cash and bank balances</b>                   |                      |                     |
| <b>Cash and cash equivalents</b>                    |                      |                     |
| -Bank balances                                      |                      |                     |
| in current account                                  | 24,109               | 17,973              |
| Cash in Hand  | -                    | 3,316               |
| Total cash and cash equivalents                     | <b>24,109</b>        | <b>21,289</b>       |

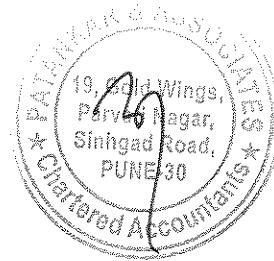




**SARAYU WIND POWER (KONDAPURAM) PRIVATE LIMITED**

**Notes to the financial statements for the year ended 31st March 2016**

|  | (Amounts in Rs.)          |                           |
|--|---------------------------|---------------------------|
|  | Year ended<br>31-Mar-2016 | Year ended<br>31-Mar-2015 |
| <b>11: Project development expenses</b>                      |                           |                           |
| Regulatory fees  | 87,02,000                 | -                         |
| Professional fees  | 11,45,000                 | -                         |
|  | <u>98,47,000</u>          | <u>-</u>                  |
| <b>12: Changes in work-in-progress - project development</b> |                           |                           |
| Work-in-progress at the beginning of the year                | -                         | -                         |
| Work-in-progress at the end of the year                      | 98,47,000                 | -                         |
| Increase in Work-in-progress                                 | <u>(98,47,000)</u>        | <u>-</u>                  |
| <b>13: Finance costs</b>                                     |                           |                           |
| Interest on  |                           |                           |
| - Inter-corporate deposit from holding company               | 14,186                    | -                         |
|  | <u>14,186</u>             | <u>-</u>                  |
| <b>14: Other expenses</b>                                    |                           |                           |
| Legal & professional fees & expenses                         | 25,000                    | 27,550                    |
| Capital work in progress written off (see note no. 15)       | 8,80,000                  | -                         |
| Miscellaneous expenses                                       | 30,630                    | 622                       |
|  | <u>9,35,630</u>           | <u>28,172</u>             |



**SARAYU WIND POWER (KONDAPURAM) PRIVATE LIMITED**  
**Notes to the financial statements for the year ended 31<sup>st</sup> March 2016**

15. In the financial statements for the year ended 31st March 2015, amount of Rs. 8,80,000 was carried forward in the balance sheet as 'Capital work-in-progress'. However, the same does not qualify as capital work-in-progress and is written off during the year.

16. Related Party Disclosure:

(i) **Where control exists :**

Inox Wind Infrastructure Services Limited (IWISL) – the holding company (w.e.f. 25<sup>th</sup> March 2016)

Inox Wind Limited (IWL) - holding company of IWISL

Gujarat Fluorochemicals Limited (GFL) – holding company of IWL

Inox Leasing & Finance Limited – Ultimate holding company

(ii) **Other related parties with whom there are transactions during the year**

**Key management personnel (KMP):**

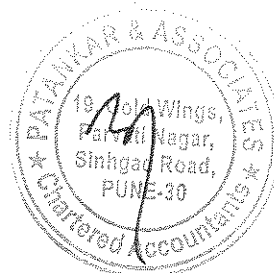
Mr. G.V.B.K. Raju - Director

**Enterprise over which KMP has significant influence:**

Harith Urja Private Limited (upto 25<sup>th</sup> March 2016)

(iii) **Particulars of transactions**

| Particulars  | holding company |         | KMP / Enterprise over which KMP has significant influence |          | Total       |          |
|--|-----------------|---------|---|----------|-------------|----------|
|  | 2015-16         | 2014-15 | 2015-16   | 2014-15  | 2015-16     | 2014-15  |
| <b>A) Transactions during the year</b>                                     |                 |         |   |          |             |          |
| a) Inter-corporate deposit / loan taken                                    |                 |         |   |          |             |          |
| Inox Wind Infrastructure Services Limited                                  | 1,07,87,000     | -       | -   | -        | 1,07,87,000 | -        |
| b) Interest expenses   |                 |         |   |          |             |          |
| Inox Wind Infrastructure Services Limited                                  | 14,186          | -       | -   | -        | 14,186      | -        |
| c) Repayment of Loan   |                 |         |   |          |             |          |
| Mr. G.V. B. K. Raju  | -               | -       | 87,000  | -        | 87,000      | -        |
| Harith Urja Private Limited  | -               | -       | 8,00,000  | -        | 8,00,000    | -        |
| Total  | -               | -       | 8,87,000  | -        | 8,87,000    | -        |
| <b>B) Outstanding balances as at the end of the year – amounts payable</b> |                 |         |   |          |             |          |
| a) Inter-corporate deposits / loan taken                                   |                 |         |   |          |             |          |
| Inox Wind Infrastructure Services Limited                                  | 1,07,87,000     | -       | -   | -        | 1,07,87,000 | -        |
| Mr. G.V. B. K. Raju  | -               | -       | -   | 87,000   | -           | 87,000   |
| Harith Urja Private Limited  | -               | -       | -   | 8,00,000 | -           | 8,00,000 |
| Total  | 1,07,87,000     | -       | -   | 8,87,000 | 1,07,87,000 | 8,87,000 |
| b) Interest payable  |                 |         |   |          |             |          |
| Inox Wind Infrastructure Services Limited                                  | 12,767          | -       | -   | -        | 12,767      | -        |



**SARAYU WIND POWER (KONDAPURAM) PRIVATE LIMITED**  
**Notes to the financial statements for the year ended 31<sup>st</sup> March 2016**

17. The Company operates in a single business segment viz. development of Wind Farm. Further, all the activities of the company are in India and hence there is a single geographical segment.
18. The Company is entitled to carry forward its business loss and unabsorbed depreciation as per the provisions of the Income-tax Act, 1961 and consequently has a net deferred tax asset as on 31st March 2016. However, in view of absence of virtual certainty that sufficient future taxable income will be available against which such deferred tax asset can be realized, the same is not recognized. Further, the opening deferred tax asset of Rs. 7,435 is charged to the statement of profit and loss during the current year.

19. Particulars of payment to Auditors :

(Amounts in Rs.)


| Particulars     | 2015-16       | 2014-15      |
|-----------------|---------------|--------------|
| Statutory audit | 25,000        | 7,500        |
| <b>Total</b>    | <b>25,000</b> | <b>7,500</b> |

Note: The above amounts are exclusive of service tax

20. Calculation of Loss per Share (EPS):

| Particulars   | 2015-16    | 2014-15  |
|---|------------|----------|
| Loss after tax as per Statement of Profit and Loss– numerator for calculating basic EPS (Rs.) | (9,57,251) | (28,172) |
| Equity shares outstanding at the beginning and at the end of the year (nos.)                  | 10,000     | 10,000   |
| Basic & diluted loss per share- nominal value Rs. 10/-per share (in Rs)                       | (95.73)    | (2.82)   |

As per our report of even date attached  
For Patankar & Associates  
Chartered Accountants

  
(S S Agrawal)  
Partner

Place: Pune  
Dated: 5<sup>th</sup> May, 2016



For Sarayu Wind Power (Kondapuram)  
Private Limited

  
Director

  
Director

Place: Noida  
Dated: 5<sup>th</sup> May, 2016