

INOX RENEWABLES (JAISALMER) LIMITED

FINANCIAL STATEMENTS

2013-14

Independent Auditors' 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 2014 and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information .

Management's Responsibility for the Financial Statements

2. Management is responsible for 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 notified under the Companies Act, 1956 ('the Act') read with the General Circular 15/2013 dated 13 September 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013. This responsibility includes the design, implementation and maintenance of internal control 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.

Auditors' Responsibility

3. Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. 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.
4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' 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 control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

6. In our opinion and to the best of our information and according to the explanations given to us, the 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:
 - i) in the case of the Balance Sheet, of the state of affairs of the Company as at 31 March 2014;
 - ii) in the case of Statement of Profit and Loss, of the profit for the year ended on that date; and
 - iii) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date

Report on Other Legal and Regulatory Requirements

7. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
8. As required by Section 227(3) of the Act, we report that:
 - a. we have 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 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 financial statements comply with the Accounting Standards notified under the Companies Act, 1956 read with the General Circular 15/2013 dated 13 September 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013 ; and
 - e. on the basis of written representations received from the directors, as on 31 March 2014 and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2014 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Act.

For **Walker Chandiok & Co LLP**
(formerly Walker, Chandiok & Co)
Chartered Accountants
Firm Registration No.: 001076N

per **Neeraj Sharma**
Partner
Membership No.: 502103

Place: Noida
Date: 29 May, 2014

Annexure to the Independent Auditors' Report of even date to the members of Inox Renewables (Jaisalmer) Limited, on the financial statements for the year ended 31 March 2014

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) In our opinion, a substantial part of fixed assets has not been disposed off during the year.
- (ii) (a) The Company does not have any inventory. Accordingly, the provisions of clause 4(ii) of the Order are not applicable.
- (iii) (a) The Company has not granted any loan, secured or unsecured to companies, firms or other parties covered in the register maintained under Section 301 of the Act. Accordingly, the provisions of clauses 4(iii)(b) to 4(iii) (d) of the Order are not applicable.
 - (b) The Company has not taken any loans, secured or unsecured from companies, firms or other parties covered in the register maintained under Section 301 of the Act. Accordingly, the provisions of clauses 4(iii)(f) and 4(iii)(g) of the Order are not applicable.
- (iv) Owing to the nature of its business, the Company does not maintain any physical inventories or sell any goods. Accordingly, clause 4(iv) of the Order with respect to purchase of inventories and sale of goods is not applicable. In our opinion, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of fixed assets and for the sale of services. During the course of our audit, no major weakness has been noticed in the internal control system in respect of these areas.
- (v) The Company has not entered into any contracts or arrangements referred to in Section 301 of the Act. Accordingly, the provisions of clause 4(v) of the Order are not applicable.
- (vi) The Company has not accepted any deposits from the public within the meaning of Sections 58A and 58AA of the Act and the Companies (Acceptance of Deposits) Rules, 1975. Accordingly, the provisions of clause 4(vi) of the Order are not applicable.
- (vii) In our opinion, the Company has an internal audit system commensurate with its size and the nature of its business.

Annexure to the Independent Auditors' Report of even date to the members of Inox Renewables (Jaisalmer) Limited, on the financial statements for the year ended 31 March 2014

- (viii) 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 clause (d) of sub-section (1) of Section 209 of the Act in respect of Company's 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.
- (ix) (a) Undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income-tax, sales tax, wealth tax, service tax, custom duty, excise duty, cess and other material statutory dues, as applicable, have generally been regularly deposited with 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.
 - (b) There are no dues in respect of income-tax, sales tax, wealth tax, service tax, customs duty, excise duty and cess that have not been deposited with the appropriate authorities on account of any dispute.
- (x) The Company has been registered for a period of less than five years. Accordingly, the provisions of clause 4(x) of the Order are not applicable.
- (xi) In our opinion, the Company has not defaulted in repayment of dues to any financial institution during the year.
- (xii) The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities. Accordingly, the provisions of clause 4(xii) of the Order are not applicable.
- (xiii) In our opinion, the Company is not a chit fund or a nidhi/ mutual benefit fund/ society. Accordingly, provisions of clause 4(xiii) of the Order are not applicable.
- (xiv) In our opinion, the Company is not dealing or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Order are not applicable.
- (xv) The Company has not given any guarantees for loans taken by others from banks or financial institutions. Accordingly, the provisions of clause 4(xv) of the Order are not applicable.
- (xvi) In our opinion, the Company has applied the term loans for the purpose for which these loans were obtained.
- (xvii) In our opinion, no funds raised on short-term basis have been used for long-term investment by the Company.
- (xviii) During the year, the Company has not made any preferential allotment of shares to (parties /and companies) covered in the register maintained under Section 301 of the Act. Accordingly, the provisions of clause 4(xviii) of the Order are not applicable.

**Annexure to the Independent Auditors' Report of even date to the members of
Inox Renewables (Jaisalmer) Limited, on the financial statements for the year
ended 31 March 2014**

- (xix) The Company has neither issued nor had any outstanding debentures during the year. Accordingly, the provisions of clause 4(xix) of the Order are not applicable.
- (xx) The Company has not raised any money by public issues during the year. Accordingly, the provisions of clause 4(xx) of the Order are not applicable.
- (xxi) No fraud on or by the Company has been noticed or reported during the period covered by our audit.

For **Walker Chandiok & Co LLP**
(formerly Walker, Chandiok & Co)
Chartered Accountants
Firm Registration No.: 001076N

per **Neeraj Sharma**
Partner
Membership No.: 502103

Place: Noida
Date: 29 May, 2014

INOX RENEWABLES (JAISALMER) LIMITED
BALANCE SHEET AS AT 31 MARCH 2014
(Unless otherwise stated, all amounts are in Indian Rupees)

	Note	As at 31 March 2014	As at 31 March 2013
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	3	1,060,500,000	1,060,500,000
Reserves and surplus	4	123,372,797	86,454,428
		1,183,872,797	1,146,954,428
Non-current liabilities			
Long term borrowings	5	2,351,862,000	2,578,052,820
		2,351,862,000	2,578,052,820
Current liabilities			
Short term borrowings	6	49,000,000	53,800,000
Other current liabilities	7	273,943,151	183,683,846
		322,943,151	237,483,846
		3,858,677,948	3,962,491,094
ASSETS			
Non-current assets			
Fixed assets			
Tangible assets	8	3,461,619,077	3,756,865,959
Deferred tax asset (net)	9	36,389,000	70,230,777
Long term loans and advances	10	28,681,012	14,826,166
		3,526,689,089	3,841,922,902
Current assets			
Current investments	11	144,000,000	-
Trade receivables	12	183,341,989	82,074,686
Cash and bank balances	13	-	3,816,524
Short term loans and advances	14	3,632,212	34,676,982
Other current assets	15	1,014,658	-
		331,988,859	120,568,192
		3,858,677,948	3,962,491,094

Notes 1 to 27 form integral part of the financial statements

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

For **Walker Chandiok & Co LLP**
(formerly Walker, Chandiok & Co)
Chartered Accountants

For and on behalf of Board of Directors

per **Neeraj Sharma**
Partner

Director

Director

Chief Financial Officer

Company Secretary

Place: Noida

Date:

INOX RENEWABLES (JAISALMER) LIMITED
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2014
(Unless otherwise stated, all amounts are in Indian Rupees)

	Note	For the year ended 31 March 2014	For the period ended 31 March 2013
Revenue			
Revenue from operations	16	589,390,287	82,074,686
Other income	17	1,248,698	149,738
Prior period items	18	497,518	-
Total revenue		591,136,503	82,224,424
Expenses			
Depreciation	8	194,781,882	32,649,850
Common infrastructure charges		776,744	132,339
Finance cost	19	298,086,055	16,126,183
Other expenses	20	26,731,677	13,034,523
Total expenses		520,376,358	61,942,895
Profit before tax		70,760,145	20,281,529
Tax expense:			
Current tax (Minimum alternate tax)		14,831,680	4,057,878
Less: Minimum alternate tax credit entitlement		(14,831,680)	-
Deferred tax		(33,841,777)	70,230,777
Profit after tax		36,918,368	86,454,428
Earning per equity share			
Basic and diluted	21	0.35	4.42

Notes 1 to 27 form integral part of the financial statements

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

For **Walker Chandiok & Co LLP**
(formerly Walker, Chandiok & Co)
Chartered Accountants

For and on behalf of Board of Directors

per **Neeraj Sharma**
Partner

Director

Director

Chief Financial Officer

Company Secretary

Place: Noida

Date:

INOX RENEWABLES (JAISALMER) LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2014
(Unless otherwise stated, all amounts are in Indian Rupees)

	For the year ended 31 March 2014	For the period ended 31 March 2013
A Cash flow from operating activities		
Net profit before tax	70,760,145	20,281,529
Adjustments for :		
Depreciation	194,781,882	32,649,850
Interest income	(1,127,398)	(149,738)
Interest expense	297,107,427	16,126,183
Operating profit before working capital changes	561,522,056	68,907,824
Adjustments for:		
Increase in trade receivables	(101,267,303)	(82,074,686)
Decrease/(increase) in loans and advances	32,189,924	(48,546,012)
(Increase)/decrease in other current liabilities	(15,964,606)	23,714,779
Cash used in operations	476,480,071	(37,998,095)
Taxes paid	(15,000,000)	(5,015,014)
Net cash flow generated from/(used in) operating activities	A 461,480,071	(43,013,109)
B Cash flow from investing activities		
Purchase of fixed assets	-	(3,686,547,039)
Investments in mutual fund	(144,000,000)	-
Interest received	112,740	149,738
Net cash used in investing activities	B (143,887,260)	(3,686,397,301)
C Cash flow from financing activities		
Proceeds from issuance of equity shares	-	1,060,500,000
Repayment of short term borrowing	(4,800,000)	-
Proceeds from short term borrowing	-	53,800,000
Repayment of long term borrowing	(136,188,000)	-
Proceeds from long term borrowing	-	2,619,000,000
Interest paid	(180,421,335)	(73,066)
Net cash (used in)/generated from financing activities	C (321,409,335)	3,733,226,934
Net (decrease)/ increase in cash and cash equivalent (A+B+C)	(3,816,524)	3,816,524
Opening cash and cash equivalents	3,816,524	-
Closing cash and cash equivalents (Refer note 13)	-	3,816,524
	(3,816,524)	3,816,524

Notes 1 to 27 form integral part of the financial statements

This is the cash flow statement referred to in our report of even date.

For **Walker Chandiok & Co LLP**
(formerly Walker, Chandiok & Co)
Chartered Accountants

For and on behalf of Board of Directors

per **Neeraj Sharma**
Partner

Director

Director

Chief Financial Officer

Company Secretary

Place: Noida

Date:

INOX RENEWABLES (JAISALMER) LIMITED

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2014

(Unless otherwise stated, all amounts are in Indian Rupees)

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 referred to in the Companies (Accounting Standards) Rules, 2006 issued by the Central Government in exercise of the power conferred under sub-section (1) (a) of section 642 and relevant provisions of the Companies Act, 1956 (the 'Act') read with the General Circular 15/ 2013 dated 13 September 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013 and the guiding principles of the Accounting Standard 30, Financial Instruments- Recognition and Measurement issued by the Institute of Chartered Accountants of India in respect of certain derivative instruments. 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. Depreciation on fixed assets is provided on straight line method at the rates, and in the manner specified in schedule XIV to the Companies Act, 1956 or rates based on useful life of assets as per management's estimates whichever is higher.

The leasehold land is amortized on time proportion basis over the period of lease.

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 entered with the respective customers.

ii) Interest income

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

e) Foreign currency transactions

INOX RENEWABLES (JAISALMER) LIMITED

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2014

(Unless otherwise stated, all amounts are in Indian Rupees)

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 year end exchange rate.

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

In terms of the clarification provided by Ministry of Corporate Affairs ("MCA") vide a notification no. G.S.R.913(E) on Accounting Standard – 11 "Changes in Foreign Exchange Rates", the exchange gain/loss on long term foreign currency monetary items is adjusted in the cost of depreciable capital assets and depreciated over the balance life of the assets. The other exchange gains/loss is recognized in the statement of profit and loss.

f) Investments

Investments are classified as long term or current, based on management's intention at the time of purchase. Investments that are readily realisable 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

g) 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.

h) 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.

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.

INOX RENEWABLES (JAISALMER) LIMITED

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2014

(Unless otherwise stated, all amounts are in Indian Rupees)

i) 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.

j) 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.

k) 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 period 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

(This space has been intentionally left blank)

INOX RENEWABLES (JAISALMER) LIMITED

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2014
(Unless otherwise stated, all amounts are in Indian Rupees)

	As at 31 March 2014		As at 31 March 2013	
	Number of shares	Amount	Number of shares	Amount
3: Share capital				
Authorised share capital				
Equity shares of Rs. 10 each	106,100,000	1,061,000,000	106,100,000	1,061,000,000
Issued, subscribed and fully paid up share capital				
Equity shares of Rs. 10 each	106,050,000	1,060,500,000	106,050,000	1,060,500,000
	<u>106,050,000</u>	<u>1,060,500,000</u>	<u>106,050,000</u>	<u>1,060,500,000</u>

a) Reconciliation of the number of shares outstanding at the beginning and at the end of the year

	As at 31 March 2014		As at 31 March 2013	
	Number of shares	Amount	Number of shares	Amount
Equity shares				
Shares outstanding as at the beginning of the year	106,050,000	1,060,500,000	-	-
Add: Shares issued during the year	-	-	106,050,000	1,060,500,000
Shares outstanding as at the end of the year	<u>106,050,000</u>	<u>1,060,500,000</u>	<u>106,050,000</u>	<u>1,060,500,000</u>

b) Rights/preferences and restrictions 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. 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 number of equity shares held by the shareholders.

c) Details of shares held by holding company

Name of shareholder	As at 31 March 2014		As at 31 March 2013	
	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>

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

Name of shareholder	As at 31 March 2014		As at 31 March 2013	
	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) The Company has not issued bonus shares, equity shares issued for considerations other than cash and also no shares have been bought back during the year.

(This space has been intentionally left blank)

INOX RENEWABLES (JAISALMER) LIMITED

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2014

(Unless otherwise stated, all amount are in Indian Rupees)

	<u>As at 31 March 2014</u>	<u>As at 31 March 2013</u>
4: Reserves and surplus		
Surplus in the Statement of Profit and Loss		
Opening balance	86,454,429	-
Profit for the year	36,918,368	86,454,428
	<u>123,372,797</u>	<u>86,454,428</u>
5: Long-term borrowings		
Secured loan		
Term loan from financial institution	2,351,862,000	2,578,052,820
	<u>2,351,862,000</u>	<u>2,578,052,820</u>
a) Details of term loan from International Finance Corporation		
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 of Inox Renewables Limited.		
b) Terms of repayment (including current maturities)		
The term loan is repayable in 28 installments starting from 14 October 2013 and the rate of interest on the loan is 11.44% per annum for the current year.		
6: Short term borrowing		
Unsecured loan from related party		
Inox Renewables Limited	49,000,000	53,800,000
	<u>49,000,000</u>	<u>53,800,000</u>
a) Details of terms of repayment for the short term borrowings		
The inter-corporate deposits from related party are repayable on demand. The rate of interest on these deposits is 10% per annum.		
7: Other current liabilities		
Current maturities of long term borrowings (Refer note 5)	130,950,000	141,412,180
Interest accrued but not due on borrowings	135,242,979	18,556,887
Statutory dues	395,091	8,747,121
Other liabilities	5,991,422	14,967,658
Book overdraft (in current account)	1,363,659	-
	<u>273,943,151</u>	<u>183,683,846</u>

(This space has been intentionally left blank)

INOX RENEWABLES (JAISALMER) LIMITED

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2014

(Unless otherwise stated, all amounts are in Indian Rupees)

8. Tangible fixed assets

Gross carrying amount	Plant and equipment
Balance as at 1 April 2012	-
Additions	3,686,547,039
Adjustments	
- on account of exchange rate fluctuations (refer note a)	100,465,000
- on account of borrowing costs	2,503,770
Balance as at 31 March 2013	3,789,515,809
Additions	-
Adjustments	
- on account of exchange rate fluctuations (refer note a)	(100,465,000)
Balance as at 31 March 2014	3,689,050,809
Accumulated depreciation	
Balance as at 1 April 2012	-
Depreciation charge	32,649,850
Balance as at 31 March 2013	32,649,850
Depreciation charge	194,781,882
Balance as at 31 March 2014	227,431,732
Net block	
Balance as at 31 March 2013	3,756,865,959
Balance as at 31 March 2014	3,461,619,077

Note:

a) The adjustment on account of exchange rate fluctuation has been decapitalised from fixed assets.

(This space has been intentionally left blank)

INOX RENEWABLES (JAISALMER) LIMITED

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2014

(Unless otherwise stated, all amount are in Indian Rupees)

	<u>As at 31 March 2014</u>	<u>As at 31 March 2013</u>
9: Deferred tax assets (net)		
Deferred tax asset arising on account of:		
Unabsorbed losses	36,389,000	197,990,385
Deferred tax liability arising on account of :		
Depreciation	-	(127,759,608)
	<u>36,389,000</u>	<u>70,230,777</u>
10: Long term loans and advances (Unsecured, considered good)		
Security deposits	20,000	20,000
Advance income tax (net of provision for income tax Rs. 19,370,668 (previous year Rs. 4,057,878))	757,046	957,136
Prepaid expense	13,072,286	13,849,030
MAT credit entitlement	14,831,680	-
	<u>28,681,012</u>	<u>14,826,166</u>
11: Current investments		
Investment in mutual funds-quoted Franklin Templeton Mutual fund 75,404.083 (previous year: Nil) units of Rs. 1,909.71 each	144,000,000	-
	<u>144,000,000</u>	<u>-</u>
Aggregate amount of quoted investments (market value Rs. 144,219,591 (previous year- nil))	144,000,000	-
12: Trade receivables (unsecured, considered good)		
Outstanding for more than six months from the date they become due for payment:	-	-
Others	183,341,989	82,074,686
	<u>183,341,989</u>	<u>82,074,686</u>
13: Cash and bank balances		
Balance with bank		
- In Current account	-	3,816,525
	<u>-</u>	<u>3,816,525</u>
14: Short term loans and advances		
Advance to related party		
-Inox Wind Limited	-	29,545,907
Prepaid expenses	3,632,212	5,131,075
	<u>3,632,212</u>	<u>34,676,982</u>
15: Other current assets		
Interest accrued but not due - on investment	1,014,658	-
	<u>1,014,658</u>	<u>-</u>

INOX RENEWABLES (JAISALMER) LIMITED
Summary of significant accounting policies and other explanatory information for the year ended 31 March 2014
(Unless otherwise stated, all amounts are in Indian Rupees)

	For the year ended 31 March 2014	For the period ended 31 March 2013
16: Operating revenue		
Revenue from power generation	589,390,287	82,074,686
	589,390,287	82,074,686
Details of sale of product		
Sale of wind energy (power)	532,362,807	82,074,686
Income from green benefit incentive	57,027,481	-
	589,390,287	82,074,686
17: Other income		
Interest income	1,127,398	149,738
Gain on redemption of mutual fund units	121,300	-
	1,248,698	149,738
18: Prior period items		
Interest on term loan	661,252	-
Interest on delayed payment of income tax	(163,734)	-
	497,518	-
19: Finance costs		
Interest on		
Term loan from International Finance Corporation	292,442,575	17,899,295
Loan from related parties	5,326,104	730,658
Interest on delayed payment of income tax	317,376	-
	298,086,055	18,629,953
Less: transferred to fixed assets	-	(2,503,770)
	298,086,055	16,126,183
20: Other expenses		
Rent	32,400	13,500
Rates and taxes	5,684,113	6,945,100
Legal and professional charges	12,234,194	1,009,903
Payment to auditor (Refer note 22)	352,923	455,957
Insurance	5,265,408	993,785
Business support charges	2,855,442	280,900
Miscellaneous expenses	307,197	3,335,378
	26,731,677	13,034,523
21: Basic and diluted earning per share		
Net profit attributable to equity shareholders	36,918,368	86,454,428
Number of fully paid equity shares at the end of the year	106,050,000	106,050,000
Weighted average number of equity shares outstanding during the year	106,050,000	19,538,789
Nominal value of equity share (Rs.)	10	10
Basic and diluted earnings per equity share (Rs.)	0.35	4.42

INOX RENEWABLES (JAISALMER) LIMITED

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2014

(Unless otherwise stated, all amounts are in Indian Rupees)

22. Payment to auditors

Particulars	Year ended 31 March 2014	Period ended 31 March 2013
Statutory audit	300,000	250,000
Other certification	-	105,800
Service tax	37,080	43,977
Total	337,080	399,777

23. 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.

24. Related party disclosure:

Information required to be disclosed under the Accounting Standard 18 on 'Related Party Disclosures' notified under the Companies Act, 1956 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

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

Particulars	Holding Company		Fellow subsidiary	
	Gujarat Fluorochemicals Limited	Inox Renewables Limited	Inox Wind Limited	Inox Wind Infrastructure Services Limited
Transactions during the period				
Issue of shares	-	-	-	-
	-	(1,060,500,000)	-	-
Unsecured loan received	-	209,000,000	17,000,000	-
	-	(53,800,000)	(14,005,000)	-
Unsecured loan repaid	-	213,800,000	17,000,000	-
	-	-	(14,005,000)	-

INOX RENEWABLES (JAISALMER) LIMITED
Summary of significant accounting policies and other explanatory information for the year ended 31 March 2014
(Unless otherwise stated, all amounts are in Indian Rupees)

Unsecured loan given	-	223,700,000	-	-
	-	-	(48,300,000)	-
Unsecured loan received back	-	223,700,000	-	-
	-	-	(15,560,000)	-
Interest on unsecured loan	-	4,265,282	1,060,822	-
	-	(730,658)	-	-
Interest income received on unsecured loan	-	1,127,398	-	-
	-	-	(149,738)	-
Erection, commissioning and share services cost	-	-	-	-
	-	(512,132,339)	-	-
Supply of wind turbines	-	-	-	-
	-	-	(3,116,800,000)	-
Expenses reimbursed	-	49,098,882	10,373,482	-
	(124,824)	-	(3,328,817)	(2,065,168)
Business support charges	-	-	-	674,160
	-	-	-	(252,810)
Balance at the year end				
Unsecured loan	-	49,000,000	-	-
	-	(53,800,000)	-	-
Interest payable	-	4,509,663	-	-
	-	(657,592)	-	-
Interest receivable	-	1,014,657	-	-
	-	-	-	-
Other liabilities	124,824	2,118,302	180	2,924,722

INOX RENEWABLES (JAISALMER) LIMITED**Summary of significant accounting policies and other explanatory information for the year ended 31 March 2014****(Unless otherwise stated, all amounts are in Indian Rupees)**

	(124,824)	(3,328,875)	-	(2,317,978)
Advances recoverable	-	-	-	-
	-	-	(29,545,907)	-

Note: Figures in bracket represent previous year figures.

25. Based on the information available with the Company, there are no dues outstanding in respect of Micro, Small and Medium enterprises 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.

INOX RENEWABLES (JAISALMER) LIMITED

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2014

(Unless otherwise stated, all amounts are in Indian Rupees)

26. The Company has entered into power purchase agreements with the electricity distribution company for 19 years for sale of power generation and will have certain revenues and sufficient taxable profit after the tax holiday period against which the deferred tax assets shall be adjusted. Provision of deferred tax asset in compliance of the notified Accounting Standard 22 on 'Accounting for Taxes on Income' has been made as the Company has unabsorbed depreciation which can be carried forward infinitely.
27. Previous year amounts have been regrouped/ rearranged wherever considered necessary to make them comparable with those of the current year.

For and on behalf of the Board of Directors

Director

Director

Chief Financial Officer

Company Secretary

For **Walker Chandiok & Co LLP**

(formerly Walker, Chandiok & Co)

Chartered Accountants

per **Neeraj Sharma**

Partner

Place: Noida

Date: