

**INOX RENEWABLES
(JAISALMER) LIMITED**

AUDITED ANNUAL ACCOUNTS

2014-2015

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 2015 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.
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, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. 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 2015, 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, 2015 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the Annexure 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 and taken on record by the Board of Directors, none of the directors is disqualified from being appointed as a director in terms of Section 164(2) of the Act;
 - f. with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. the Company does not have any pending litigations which would impact its financial position;
 - ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;

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

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

per **Lalit Kumar**
Partner
Membership No.: 095256

Place: Noida

Date: 15 May 2015

Annexure 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 2015

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.
- (ii) (a) The Company does not have any inventory. Accordingly, the provisions of clause 3(ii) of the Order are not applicable.
- (iii) The Company has not granted any loan, secured or unsecured to companies, firms or other parties covered in the register maintained under Section 189 of the Act. Accordingly, the provisions of clauses 3(iii)(a) and 3(iii)(b) 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. Further, there are no transactions pertaining to sales of services. Accordingly, clause 3(iv) of the Order with respect to purchase of inventories and sale of goods and services 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. 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 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 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, wealth 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 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, duty of customs, duty of excise, value added tax and cess that have not been deposited with the appropriate authorities on account of any dispute.
 - (c) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made thereunder. Accordingly, the provisions of clause 3(vii)(c) of the Order are not applicable.

Annexure 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 2015

- (viii) The Company has been registered for a period of less than five years. Accordingly, the provisions of clause 3(viii) of the Order are not applicable.
- (ix) The Company did not have any outstanding debentures during the year and has no dues payable to a financial institution or a bank.
- (x) The Company has not given any guarantees for loans taken by others from banks or financial institutions. Accordingly, the provisions of clause 3(x) of the Order are not applicable.
- (xi) In our opinion, the Company has applied the term loans for the purpose for which these loans were obtained.
- (xii) 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's Registration No.: 001076N/N500013

per **Lalit Kumar**
Partner
Membership No.: 095256

Place : Noida

Date : 15 May 2015

INOX RENEWABLES (JAISALMER) LIMITED
BALANCE SHEET AS AT 31 MARCH 2015
(All amounts in ₹lakh, unless otherwise stated)

	Notes	As at 31 March 2015	As at 31 March 2014
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	3	10,605.00	10,605.00
Reserves and surplus	4	2,237.34	1,233.73
		12,842.34	11,838.73
Non-current liabilities			
Long-term borrowings	5	22,261.50	23,518.62
Deferred tax liabilities	6	231.29	(363.89)
Long-term provisions	7	3.94	-
		22,496.73	23,154.73
Current liabilities			
Short-term borrowings	8	-	490.00
Other current liabilities	9	2,540.92	2,739.43
Short-term provisions	10	123.61	-
		2,664.53	3,229.43
		38,003.60	38,222.89
ASSETS			
Non-current assets			
Fixed assets			
Tangible assets	11	32,954.64	34,616.19
Long-term loans and advances	12	590.29	286.81
		33,544.93	34,903.00
Current assets			
Current investments	13	-	1,440.00
Trade receivables	14	2,066.29	1,833.42
Cash and bank balances	15	2,349.72	-
Short-term loans and advances	16	37.12	36.32
Other current assets	17	5.54	10.15
		4,458.67	3,319.89
		38,003.60	38,222.89

Notes 1 to 30 form integral part of the financial statements

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

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

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

per **Lalit Kumar**
Partner

Director

Director

Company Secretary

Chief Financial Officer

Place: Noida

Date: 15 May 2015

INOX RENEWABLES (JAISALMER) LIMITED
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2015
(All amounts in lakh, unless otherwise stated)

	Notes	For the year ended 31 March 2015	For the year ended 31 March 2014
Revenue			
Revenue from operations	18	6,239.58	5,893.90
Other income	19	25.61	12.49
Total revenue		6,265.19	5,906.39
Expenses			
Depreciation	11	1,661.65	1,947.82
Common infrastructure charges		25.11	7.77
Employee benefits expense	20	90.91	-
Finance cost	21	2,815.51	2,980.86
Other expenses	22	68.68	267.32
Prior period items	23	4.55	(4.98)
Total expenses		4,666.41	5,198.79
Profit before tax		1,598.78	707.60
Tax expense:			
Current tax (Minimum alternate tax)		335.11	148.32
Less: Minimum alternate tax credit entitlement		(335.11)	(148.32)
Deferred tax		595.18	338.42
Profit after tax		1,003.61	369.18
Earning per equity share			
Basic and diluted (Nominal value of share ₹ 10)	24	0.95	0.35

Notes 1 to 30 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
of Innox Renewables (Jaisalmer) Limited

per **Lalit Kumar**
Partner

Director

Director

Place: Noida
Date: 15 May 2015

Company Secretary

Chief Financial Officer

INOX RENEWABLES (JAISALMER) LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2015
(All amounts in ₹lakh, unless otherwise stated)

	For the year ended 31 March 2015	For the year ended 31 March 2014
A Cash flow from operating activities		
Net profit before tax	1,598.78	707.60
Adjustments for :		
Depreciation and common infrastructure charges	1,686.76	1,955.59
Interest and dividend income	(25.61)	(11.27)
Provision for employee benefit	15.51	-
Interest expense	2,815.51	2,971.07
Operating profit before working capital changes	6,090.95	5,622.99
Adjustments for:		
Increase in trade receivables	(232.87)	(1,012.67)
(Increase)/decrease in long-term loans and advances	(17.45)	3.68
(Increase)/decrease in short-term loans and advances	(0.79)	310.45
Decrease in other current liabilities	(42.16)	(159.65)
Cash generated from operations	5,797.68	4,764.80
Taxes paid	(199.09)	(150.00)
Net cash flow generated from operating activities	A 5,598.59	4,614.80
B Cash flow from investing activities		
Purchase of fixed assets	(0.10)	-
Investments in mutual fund	1,440.00	(1,440.00)
Investment in bank deposits (having original maturity of more than three months)	(740.00)	-
Interest received	30.21	1.13
Net cash generated from/(used in) investing activities	B 730.11	(1,438.87)
C Cash flow from financing activities		
Repayment of short term borrowing	(3,288.00)	(2,308.00)
Proceeds from short term borrowing	2,798.00	2,260.00
Repayment of long term borrowing	(1,309.50)	(1,361.88)
Interest paid	(2,919.48)	(1,804.21)
Net cash used in financing activities	C (4,718.98)	(3,214.09)
Net increase/(decrease) in cash and cash equivalent (A+B+C)	1,609.72	(38.17)
Cash and cash equivalents as at the beginning of the year	-	38.17
Cash and cash equivalents as at the end of the year (refer note 15)	1,609.72	-
Components of cash and cash equivalents		
Cash in hand	-	-
Bank balances in current accounts	1,609.72	-
	1,609.72	-

Notes 1 to 30 form integral part of the financial statements

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

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

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

per **Lalit Kumar**
Partner

Director

Director

Place: Noida
Date: 15 May 2015

Company Secretary

Chief Financial Officer

INOX RENEWABLES (JAISALMER) LIMITED

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2015

(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.

Depreciation on fixed assets for the year ended 31 March 2014 was provided on straight line method at rates which are either greater than or equal to the corresponding rates in Schedule XIV of the Companies Act, 1956, based on management estimate of the useful life of the assets.

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 is provided on straight line method as per the rates prescribed under Schedule II of the Companies Act, 2013.

The Comparison of useful lives is as follows:

Block of asset	Useful life as per Companies Act, 2013 (in years)	Existing useful life as per Companies Act, 1956 (in years)
Plant and Machinery	22	19
Office equipments	5	20

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 2015

(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.

(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.

INOX RENEWABLES (JAISALMER) LIMITED

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2015

(All amounts are in lakh, unless otherwise stated)

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.

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.

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 2015

(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 2015

(All amounts in ₹lakh, unless otherwise stated)

	As at 31 March 2015		As at 31 March 2014	
	Number of shares	Amount	Number of shares	Amount
3 Share capital				
Authorised share capital				
Equity shares of ₹ 10 each	1,061.00	10,610.00	1,061.00	10,610.00
Issued, subscribed and fully paid up share capital				
Equity shares of ₹ 10 each	1,060.50	10,605.00	1,060.50	10,605.00
	1,060.50	10,605.00	1,060.50	10,605.00

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. 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 2015		As at 31 March 2014	
	Number of shares	% of holding	Number of shares	% of holding
Inox Renewables Limited*	1,060.50	100%	1,060.50	100%
	1,060.50	100%	1,060.50	100%

* 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 2015		As at 31 March 2014	
	Number of shares	% of holding	Number of shares	% of holding
Inox Renewables Limited	1,060.50	100%	1,060.50	100%
	1,060.50	100%	1,060.50	100%

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.

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INOX RENEWABLES (JAISALMER) LIMITED

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2015
(All amounts in ₹lakh, unless otherwise stated)

	<u>As at</u> <u>31 March 2015</u>	<u>As at</u> <u>31 March 2014</u>
4 Reserves and surplus		
Surplus in the Statement of Profit and Loss		
Balance at the beginning of the year	1,233.73	864.54
Add: Transferred from Statement of Profit and Loss	1,003.61	369.18
Balance at the end of the year	<u>2,237.34</u>	<u>1,233.73</u>
5 Long-term borrowings		
Secured loan		
Term loan from others	22,261.50	23,518.62
	<u>22,261.50</u>	<u>23,518.62</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 Deferred tax liabilities		
Deferred tax asset arising on account of:		
Unabsorbed losses	-	(363.89)
Deferred tax liability arising on account of :		
Depreciation	231.29	-
	<u>231.29</u>	<u>(363.89)</u>
7 Long term provisions		
Provision for employee benefits		
- for compensated absences	1.73	-
- for gratuity	2.21	-
	<u>3.94</u>	<u>-</u>
8 Short term borrowing		
Unsecured loan from related party		
Inox Renewables Limited	-	490.00
	<u>-</u>	<u>490.00</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.

INOX RENEWABLES (JAISALMER) LIMITED**Summary of significant accounting policies and other explanatory information for the year ended 31 March 2015
(All amounts in ₹lakh, unless otherwise stated)**

	<u>As at</u> <u>31 March 2015</u>	<u>As at</u> <u>31 March 2014</u>
9 Other current liabilities		
Current maturities of long term borrowings (Refer note 5)	1,257.12	1,309.50
Interest accrued but not due on borrowings	1,248.46	1,352.43
Statutory dues	10.00	3.95
Other liabilities	25.34	59.91
Book overdraft (in current account)	-	13.64
	<u>2,540.92</u>	<u>2,739.43</u>
10 Short term provisions		
Provision for income tax (net of advance tax ₹432.60)	112.04	-
Provision for employee benefits		
- for compensated absences	5.05	-
- for gratuity	6.52	-
	<u>123.61</u>	<u>-</u>

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INOX RENEWABLES (JAISALMER) LIMITED

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2015

(All amounts in ₹lakh, unless otherwise stated)

11. Tangible fixed assets

Gross carrying amount	Plant and equipment
Balance as at 1 April 2013	37,895.16
Additions	-
Adjustments	
- on account of exchange rate fluctuations (refer note a)	(1,004.65)
Balance as at 31 March 2014	36,890.51
Additions	0.10
Balance as at 31 March 2015	36,890.61
Accumulated depreciation	
Balance as at 1 April 2013	326.50
Depreciation charge	1,947.82
Balance as at 31 March 2014	2,274.32
Depreciation charge	1,661.65
Balance as at 31 March 2015	3,935.97
Net block	
Balance as at 31 March 2014	34,616.19
Balance as at 31 March 2015	32,945.64

Note:

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

b) 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 Act. Consequently, the depreciation charged for the year ended 31 March 2015 is lower by ₹ 286.18 lacs and profit for the year is 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 2015
(All amounts in ₹lakh, unless otherwise stated)**

	<u>As at</u> <u>31 March 2015</u>	<u>As at</u> <u>31 March 2014</u>
12 Long term loans and advances (Unsecured, considered good)		
Security deposits	0.20	0.20
Advance income tax (net of provision for income tax nil previous year ₹ 193.71)	-	7.57
Prepaid expense	106.64	130.72
MAT credit entitlement	483.45	148.32
	<u>590.29</u>	<u>286.81</u>
13 Current investments		
Investment in mutual funds-quoted Franklin Templeton Mutual fund Nil (previous year: 75,404.083) units	-	1,440.00
	<u>-</u>	<u>1,440.00</u>
14 Trade receivables (unsecured, considered good)		
Outstanding for more than six months from the date they become due for payment:	-	-
Others	2,066.29	1,833.42
	<u>2,066.29</u>	<u>1,833.42</u>
15 Cash and bank balances		
Balance with bank		
- In Current account	1,609.72	-
	<u>1,609.72</u>	<u>-</u>
Other bank balances		
- Fixed deposit with original maturity of more than three months but less than twelve months maturity period	740.00	-
	<u>2,349.72</u>	<u>-</u>
16 Short term loans and advances		
Prepaid expenses	37.12	36.32
	<u>37.12</u>	<u>36.32</u>
17 Other current assets		
Interest accrued but not due		
- on fixed deposit	5.54	-
- on investment	-	10.15
	<u>5.54</u>	<u>10.15</u>

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INOX RENEWABLES (JAISALMER) LIMITED**Summary of significant accounting policies and other explanatory information for the year ended 31 March 2015**
(All amounts in ₹ lakh, unless otherwise stated)

	For the year 31 March 2015	For the year 31 March 2014
18 Operating revenue		
Revenue from power generation	6,239.58	5,893.90
	6,239.58	5,893.90
Details of sale of product		
Sale of wind energy (power)	5,669.52	5,323.63
Income from green benefit incentive	570.06	570.27
	6,239.58	5,893.90
19 Other income		
Interest income	13.27	11.27
Gain on redemption of mutual fund units	12.34	1.21
	25.61	12.49
20 Employee benefits expense		
Salary and wages	75.40	-
Contribution to gratuity	8.73	-
Contribution to provident and other funds	6.78	-
	90.91	-
21 Finance costs		
Interest on		
Term loan from International Finance Corporation	2,733.83	2,924.43
Loan from related parties	56.18	53.26
Bank charges	9.08	-
Interest on delayed payment of income tax	16.42	3.17
	2,815.51	2,980.86
22 Other expenses		
Rent	1.50	0.32
Rates and taxes	0.14	56.84
Legal and professional charges	17.62	122.50
Payment to auditor (Refer note 25)	3.37	3.37
Insurance	31.57	52.65
Business support charges	6.16	28.55
Miscellaneous expenses	8.31	3.07
	68.68	267.32
23 Prior period expense/ (income)		
Interest on term loan	3.38	(6.61)
Interest on delayed payment of income tax	-	1.64
Rates and taxes	1.17	-
	4.55	(4.98)
24 Basic and diluted earning per share		
Net profit attributable to equity shareholders	1,003.61	369.18
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 (₹)	0.95	0.35

INOX RENEWABLES (JAISALMER) LIMITED

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2015

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

25. Payment to auditors

Particulars	Year ended 31 March 2015	Year ended 31 March 2014
Statutory audit	1.50	1.50
Other services	1.50	1.50
Service tax	0.37	0.37
Total	3.37	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 2015	31 March 2014
a)	Current service cost	2.29	-
b)	Interest cost	-	-
c)	Actuarial (gain)/loss recognised during the year	6.45	-
d)	Expense recognised in the statement of profit and Loss	8.73	-

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

S.No	Description	31 March 2015	31 March 2014
a)	Present value of defined benefit obligation as the beginning of the year	-	-
b)	Current service cost	2.29	-
c)	Interest cost	-	-
d)	Actuarial (gain)/loss recognised during the year	6.45	-
e)	Contributions paid	-	-
f)	Present value of defined benefit obligation as at the end of the year	8.73	-

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

S.No.	Description	31 March 2015	31 March 2014
a)	Discount rate	7.77%	-
b)	Rate of increase in compensation level	8.00%	-

Amount recognized in current year and previous four years:

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

INOX RENEWABLES (JAISALMER) LIMITED

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2015

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

B. Compensated absences

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

S.No.	Description	31 March 2015	31 March 2014
a)	Current service cost	1.67	-
b)	Interest cost	-	-
c)	Actuarial (gain)/loss recognised during the year	5.11	-
d)	Expense recognised in the statement of profit and loss	6.78	-

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

S.No.	Description	31 March 2015	31 March 2014
a)	Present value of defined benefit obligation as at the beginning of the year	-	-
b)	Current service cost	1.67	-
c)	Interest cost	-	-
d)	Actuarial loss recognised during the year	5.10	-
e)	Contributions paid	-	-
f)	Present value of defined benefit obligation as at the end of the year	6.78	-

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

S.No.	Description	31 March 2015	31 March 2014
a)	Discount rate	7.77%	-
b)	Rate of increase in compensation level	8.00%	-

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 7.07 lakh (previous year nil).

INOX RENEWABLES (JAISALMER) LIMITED

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2015

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

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

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	
Transactions during the year	31 March 2015	31 March 2014	31 March 2015	31 March 2014	31 March 2015	31 March 2014
Unsecured loan received	2,798.00	2090.00	-	170.00	-	-
Unsecured loan repaid	3,288.00	2138.00	-	170.00	-	-
Unsecured loan given	611.00	2,237.00	-	-	-	-
Unsecured loan received back	611.00	2,237.00	-	-	-	-
Interest on unsecured loan	56.18	42.65	-	10.61	-	-
Interest income received on unsecured loan	5.09	11.11	-	-	-	-
Expenses reimbursed	4.94	490.99	11.22	103.73	-	-
Accounting charges	-	-	-	-	1.12	6.74

INOX RENEWABLES (JAISALMER) LIMITED**Summary of significant accounting policies and other explanatory information for the year ended 31 March 2015****(All amounts are in ₹lakh, unless otherwise stated)****c) Balance outstanding during the year**

Particulars	Holding company				Fellow subsidiary			
	Gujarat Flourochemicals Limited		Inox Renewables Limited		Inox Wind Limited		Inox Wind Infrastructure Services Limited	
	31March 15	31March 14	31March 15	31March 14	31March 15	31March 14	31March 15	31March 14
Inter Corporate Deposit	-	-	-	490.00	-	-	-	-
Interest accrued but not due on borrowings	-	-	10.07	45.10	-	-	-	-
Other liabilities	1.25	1.25	0.19	21.18	6.04	0.00	-	29.25

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INOX RENEWABLES (JAISALMER) LIMITED

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2015

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

29. 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.
30. Previous year amounts have been regrouped/ rearranged wherever considered necessary to make them comparable with those of the current year.

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

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

per **Lalit Kumar**
Partner

Director

Director

| **Place:** Noida
Date: 15 May 2015

-Company Secretary

Chief Financial Officer