

VARADVINAYAK RENEWABLES LIMITED  
FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016  
TOGETHER WITH AUDITORS' REPORT

SNK & CO.  
CHARTERED ACCOUNTANTS

**Independent Auditors' Report**

To  
The Members,  
Varadvinayak Renewables Limited  
CIN: U40200GJ2015PLC083747

**Report on Financial Statements**

1. We have audited the accompanying Financial Statements of **Varadvinayak Renewables Limited** (the 'Company') (Formerly known as Varadvinayak Wind Energy Limited) which comprise the Balance sheet as at 31st March, 2016, Statement of Profit and Loss and the Cash flow Statement for the period then ended and a summary of 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 and presentation 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 safe guarding 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.

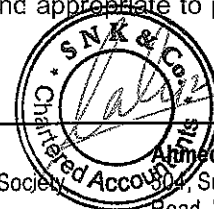
**Auditor's Responsibility**

3. 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 there under.

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.

An audit involves performing procedures to obtain audit evidence about the amounts and 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 the 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, 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.

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

4. 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 31st March, 2016 and its Loss and its cash flows for the year ended on that date.

## Report of the Other Legal and Regulatory Requirements

5. As required by the Companies (Auditor's Report) Order, 2016 ('the Order') issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Companies Act, 2013, and according to information and explanation provided to us, we give in the Annexure - A, a statement on the matters specified in the paragraph 3 and 4 of the Order to the extent applicable.

## 6. As required by Section 143(3) of the Act, we report that,

- i. 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;
- ii. 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;
- iii. The Balance Sheet, the Statement of Profit & Loss and the Cash Flow dealt with by this report are in agreement with the books of account;
- iv. 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;
- v. On the basis of the written representations received from the directors, as on 31st March 2016 and taken on record by the Board of Directors, none of the directors are disqualified as on 31st March, 2016 from being appointed as a director in terms of section 164(2) of the Act;
- vi. 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 report in Annexure - B; and
- vii. 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 on its financial position in its financial statements
  - ii. The company did not have any long term contracts including derivative contract for which there were any material foreseeable losses.
  - iii. There were no amounts which are required to be transferred, to the Investor Education and Protection Fund by the Company.

For SNK & Co.,  
ICAI Firm Registration No.:109176W  
Chartered Accountants

per Vilesh Dalya  
Partner

Membership No.:133752

Place: Pune

Date: July 30, 2016



**Varadvinayak Renewables Limited**

**Annexure A – Annexure Referred to in paragraph 5 of our report of even date under heading “Report on Other Legal and Regulatory Requirements”**

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Re : Varadvinayak Renewables Limited

- (i) The Company does not have any fixed assets. Accordingly the provision 3(i) (a) to (c) of the Order 2016 is not applicable to the company.
- (ii) The company does not have inventory. Accordingly the provision 3(ii) of the Order, 2016 is not applicable to the Company.
- (iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies. Firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly the provisions 3(iii) (a) to (c) of the Order, 2016 is not applicable to the company and hence not commented upon.
- (iv) The Company has complied with the provisions of Section 185 and 186 of the Companies Act, 2013, in respect of loans, investments, guarantees and securities.
- (v) The Company has not accepted any deposits as per the directive issued by the Reserve Bank of India and as per the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act and the rules framed there under. Accordingly the provisions 3 (v) of the Companies (Auditor's Report) Order, 2016 is not applicable to the company.
- (vi) Maintenance of cost records as specified by the Central Government under sub section (1) of section 148 of the Companies act is not applicable to the company. Accordingly the provisions 3(vi) of the Order, 2016 is not applicable to the company.
- (vii) (a) Undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income-tax, sales-tax, wealth-tax, service tax, customs duty, excise duty, cess and other material statutory dues, wherever applicable, have generally been regularly deposited with the appropriate authorities.  
According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income tax, sales tax, wealth tax, service tax, duty of customs, value added tax, cess and other material statutory dues, wherever applicable, were in arrears as at 31st March, 2016 for a period of more than 6 months from the date they became payable.  
  
(b) According to the information and explanations given to us, there are no dues in respect of income tax, sales-tax, wealth tax, service tax, customs duty, excise duty and cess, wherever applicable, that have not been deposited on account of any dispute.
- (viii) In our opinion and according to information and explanations given to us the Company have not obtained any loans and do not have any repayment of dues to bank, financial institution, Government or debenture holders. Accordingly clause 3(viii) of the Companies (Auditor's Report) Order, 2016 is not applicable to the company
- (ix) The company has not raised money by way of initial public offer or further public offer (including debt instruments) and term loan. Accordingly clause 3(ix) of the Companies (Auditor's Report) Order, 2016 is not applicable to the company.
- (x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given by the management, we report that no fraud on or by the Company has been noticed or reported during the year.
- (xi) Based on the information and explanations given to us by the management, no managerial remuneration is paid or provided by the company. Accordingly, paragraph 3(xi) of the Order, 2016 is not applicable.



- (xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company. Accordingly, paragraph 3(xii) of the Order, 2016 is not applicable.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, paragraph 3(xiv) of the Order, 2016 is not applicable.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order, 2016 is not applicable.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

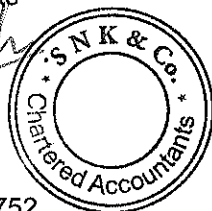
For SNK & Co.  
ICAI Firm Registration No.:109176W  
Chartered Accountants

  
per Vilesh Dalya  
Partner

Membership No.:133752

Place: Pune

Date: July 30, 2016



**Varadvinayak Renewables Limited**  
**Annexure B to the Auditors' Report**

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

We have audited the internal financial controls over financial reporting of **Varadvinayak Renewables Limited** ("the Company") as of 31 March 2016 in conjunction with our audit of the standalone financial statements of the Company for the period ended on that date.

**Management's Responsibility for Internal Financial Controls**

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ("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.

**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 on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting 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 judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls 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 un-authorised 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**

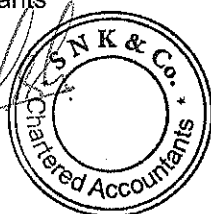
In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For SNK & Co.

ICAI Firm Registration No.:109176W

Chartered Accountants

  
per Vilesh Dalya  
Partner



Membership No.:133752

Place: Pune

Date: July 30, 2016

**Varadvinayak Renewables Limited**  
(Formerly known as Varadvinayak Wind Energy Limited)

**Balance Sheet as at March 31, 2016**

All amounts in rupees unless otherwise stated

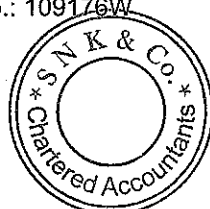
Particulars	Notes	As at March 31, 2016
<b>Equity and liabilities</b>		
<b>Shareholders' Funds</b>		
(a) Share capital	3	200
(b) Reserves and surplus	4	(356,421)
		<b>(356,221)</b>
<b>Current liabilities</b>		
(a) Short-term borrowings	5	36,709
(b) Other current liabilities	6	347,445
		<b>384,154</b>
<b>Total</b>		<b>27,933</b>
<b>Assets</b>		
<b>Non-current assets</b>		
(a) Fixed assets		-
(i) Capital work-in-progress		-
		-
<b>Current assets</b>		
(a) Short-term loans and advances	7	10,000
(b) Cash and bank balances	8	17,933
		<b>27,933</b>
<b>Total</b>		<b>27,933</b>
Significant accounting policies and notes to accounts	2.1	

The accompanying notes are an integral part of the financial statements.

As per our report of even date

For SNK & Co.  
Chartered Accountants  
ICAI Firm Registration No.: 109176W

  
per Vilesh Dalya  
Partner



Membership No.: 133752

Place : Pune  
Date : July 30, 2016

For and on behalf of the Board of Directors of  
Varadvinayak Renewables Limited

  
Kirti J. Vagadia  
Director  
DIN : 00605991

  
Srinam Iyer  
Director  
DIN : 07534351

Place : Pune  
Date : July 30, 2016





# Varadvinayak Renewables Limited

(Formerly known as Varadvinayak Wind Energy Limited)

## Statement of profit and loss for the period from July 03, 2015 to March 31, 2016

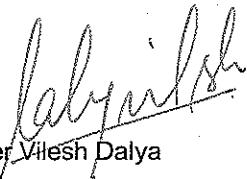
All amounts in rupees unless otherwise stated

Particulars	Notes	July 03, 2015 to March 31, 2016
<b>Income</b>		
Other income		-
<b>Total</b>		-
<b>Expenses</b>		
Other expenses	9	353,949
<b>Total</b>		<b>353,949</b>
<b>Earnings/ (loss) before interest, tax and exceptional items (EBIT)</b>		
Finance cost	10	2,472
<b>Profit/ (loss) before tax</b>		<b>(356,421)</b>
<b>Tax expense:</b>		
Current tax		-
<b>Loss for the period</b>		<b>(356,421)</b>
Earnings per share	11	(17,821.05)
Basic and diluted [Nominal value of share Rs 10]		
Significant accounting policies and notes to accounts	2.1	

The accompanying notes are an integral part of the financial statements.


As per our report of even date

For SNK & Co.  
Chartered Accountants  
ICAI Firm Registration No.: 109176W

  
per Vilesh Dalya  
Partner  
Membership No.: 133752



For and on behalf of the Board of Directors of  
Varadvinayak Renewables Limited

  
Kirti J. Vagadia  
Director  
DIN : 00605991

  
Sri Ram Iyer  
Director  
DIN : 07534351

Place : Pune  
Date : July 30, 2016

Place : Pune  
Date : July 30, 2016



**Varadvinayak Renewables Limited**  
(Formerly known as Varadvinayak Wind Energy Limited)

**Cash flow statement for the period from July 03, 2015 to March 31, 2016**

All amounts in rupees unless otherwise stated

Sr. No.	Particulars	March 31, 2016
<b>A</b>	<b>Cash flow from operating activities</b>	
	Loss before tax	(356,421)
	<b>Adjustments for:</b>	
	Interest expenses	1,709
	<b>Operating profit / (loss) before working capital changes</b>	<b>(354,712)</b>
	<b>Movements in working capital</b>	
	Increase in loans and advances	(10,000)
	Increase in current liabilities and provisions	347,445
	<b>Cash used in operating activities</b>	<b>(17,267)</b>
	Direct taxes paid (net of refunds)	-
	<b>Net cash generated from operating activities</b>	<b>(17,267)</b>
<b>B</b>	<b>Cash flow from investing activities</b>	
	Purchase of fixed assets	-
	<b>Net cash used in investing activities</b>	<b>-</b>
<b>C</b>	<b>Cash flow from financing activities</b>	
	Proceeds from issuance of equity shares	200
	Proceeds from unsecured loan	35,000
	<b>Net cash flow from financing activities</b>	<b>35,200</b>
	<b>Net increase in cash and cash equivalents</b>	<b>17,933</b>
	<b>Cash and cash equivalents at the beginning</b>	<b>-</b>
	<b>Cash and cash equivalents at the end</b>	<b>17,933</b>
	<b>Cash and bank balances</b>	<b>As at March 31, 2016</b>
	Balances with scheduled banks in current accounts	17,933
		<b>17,933</b>

**Summary of significant accounting policies**


2.1

**Notes :**

1 The figures in brackets represent outflows.

As per our report of even date


For SNK & Co.  
Chartered Accountants  
ICAI Firm Registration No.: 109176W

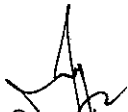
per   
Vilesh Dalya  
Partner  
Membership No.: 133752

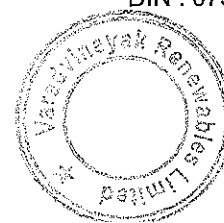


Place : Pune  
Date : July 30, 2016

For and on behalf of the Board of Directors of  
Varadvinayak Renewables Limited

  
Kirti J. Vagadia  
Director  
DIN : 00605991

  
Srikanth Iyer  
Director  
DIN : 07534351



Place : Pune  
Date : July 30, 2016

# Varadvinayak Renewables Limited

(Formerly known as Varadvinayak Wind Energy Limited)

Notes to financial statements for the period ended March 31, 2016

All amount in Rupees unless stated otherwise

## 1 Corporate information

Varadvinayak Renewables Limited ('Varadvinayak' or the 'Company') (Formerly known as Varadvinayak Wind Energy Limited) having CIN U40200GJ2015PLC083747 is engaged in the business of Energy Power Plant Development and Sale of Power Energy. The company was incorporated on July 03, 2015. The Company is subsidiary of Suzlon Energy Limited.

## 2 Basic of preparation

The financial statements of the Company have been prepared in accordance with Indian Generally Accepted Accounting Principles (Indian GAAP). The Company has prepared these financial statements to comply in all material respects with the accounting standards as prescribed under Section 133 of the Companies Act, 2013 ('Act') read with Rule 7 of the Companies (Accounts) Rule, 2014, the provisions of the Act (to the extent notified). The financial statements have been prepared on an accrual basis and under the historical cost convention.

### 2.1 Summary of significant accounting policies

#### a. Use of estimates

The preparation of financial statements in conformity with Indian GAAP requires management to make estimates and assumptions that may affect the reported amounts of assets and liabilities and disclosures relating to contingent liabilities as at the date of the financial statements and the reported amounts of incomes and expenses during the reporting period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

#### b. Tangible fixed assets

Fixed assets are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises purchase price, borrowing costs if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discounts and rebates are deducted in arriving at the purchase price. The manufacturing costs of internally generated assets comprise direct costs and attributable overheads.

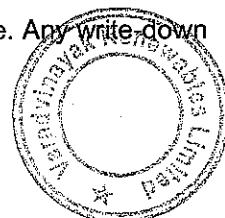
Capital work-in-progress comprises of cost of fixed assets that are not yet ready for their intended use as at the balance sheet date. Assets held for disposal are stated at the lower of net book value and the estimated net realisable value.

Subsequent expenditure related to an item of fixed asset is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. All other expenses on existing fixed assets, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss for the period during which such expenses are incurred.

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

The Company identifies and determines the cost of each component / part of the asset separately, if the component / part has a cost which is significant to the total cost of the asset and has useful life that is materially different from that of the remaining asset.

Fixed assets held for sale is valued at lower of their carrying amount and net realizable value. Any write down is recognized in the statement of profit and loss.



## Varadvinayak Renewables Limited

(Formerly known as Varadvinayak Wind Energy Limited)

Notes to financial statements for the period ended March 31, 2016

All amount in Rupees unless stated otherwise

### c. Depreciation on tangible fixed assets

The Company has used the following useful lives to provide depreciation on its tangible assets:

Type of asset	Useful lives (years)
Energy systems	20 years

### d. Borrowing costs

Borrowing cost primarily includes interest and amortization of ancillary costs incurred in connection with the arrangement of borrowings.

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the respective asset. All other borrowing costs if any, are expensed in the period they occur.

### e. Revenue recognition

Revenues from Solar Energy Systems are obtained through the sale/supply of energy based on Energy accounts issued by appropriate Government authority and as per the tariff agreed between the parties.

### f. Taxes on income

Tax expense comprises 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 enacted in India and tax laws prevailing in the respective tax jurisdictions where the Company operates. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Deferred income taxes reflect the impact of timing differences between taxable income and accounting income originating during the current year and reversal of timing differences for the earlier years. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted at the reporting date. Deferred income tax relating to items recognised directly in equity is recognised in equity and not in the statement of profit and loss.

Deferred tax liabilities are recognised for all taxable timing differences. Deferred tax assets are recognised for deductible timing differences 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. In situations where the Company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that they can be realized against future taxable profits.

At each reporting date, the Company re-assesses unrecognised deferred tax assets. It recognises unrecognised deferred tax asset to the extent that it has become reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realised.

The carrying amount of deferred tax assets are reviewed at each reporting date. The Company writes-down the carrying amount of deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realised. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.



## Varadvinayak Renewables Limited

(Formerly known as Varadvinayak Wind Energy Limited)

Notes to financial statements for the period ended March 31, 2016

All amount in Rupees unless stated otherwise

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

Minimum alternate tax (MAT) paid in a year is charged to the statement of profit and loss as current tax. The Company recognises MAT credit available as an asset only to the extent that there is convincing evidence that the Company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the Company recognises MAT credit as an asset in accordance with the Guidance Note on Accounting for Credit Available in respect of Minimum Alternative Tax under the Income-tax Act, 1961, the said asset is created by way of credit to the statement of profit and loss and shown as "MAT Credit Entitlement." The Company reviews the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent the Company does not have convincing evidence that it will pay normal tax during the specified period in future.

### g. Earnings/(loss) per share

Basic earnings / (loss) per share are calculated by dividing the net profit / (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 number of equity shares outstanding during the period are adjusted for any bonus shares issued during the year and also after the balance sheet date but before the date the financial statements are approved by the board of directors for the purpose of calculating diluted earnings / (loss) per share. The net profit / (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.

The number of equity shares and potentially dilutive equity shares are adjusted for bonus shares as appropriate. The dilutive potential equity shares are adjusted for the proceeds receivable, had the shares been issued at fair value. Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date.

### h. Provisions

A provision is recognised when the Company has a present obligation as a result of past events; 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 of the amount of obligation. Provisions are not discounted to their present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These estimates are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

### i. Contingent liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The Company does not recognise a contingent liability but discloses its existence in the financial statements unless the possibility of an outflow is remote.

### j. Cash and cash equivalents

Cash and cash equivalents in the cash flow statement comprise cash at bank and in hand, cheques on hand and short-term investments with an original maturity of three months or less.



## Varadvinayak Renewables Limited

(Formerly known as Varadvinayak Wind Energy Limited)

Notes to financial statements for the period ended March 31, 2016

All amount in Rupees unless stated otherwise

### k. Measurement of EBITD and EBIT

The Company has elected to present earnings before interest, tax, depreciation ('EBITD') and earnings before interest and tax ('EBIT') as a separate line item on the face of the statement of profit and loss. In the measurement of EBITD, the Company does not include depreciation, finance cost, finance income, exceptional and extraordinary items and tax expense. The Company reduces depreciation expense from EBITD to measure EBIT.

### 3 Share capital

#### Authorised share capital

1,000,000 equity shares of Rs 10 each

March 31, 2016

10,000,000

10,000,000

#### Issued, subscribed and fully paid-up shares

20 equity shares of Rs 10 each

March 31, 2016

200

200

### a. Reconciliation of the shares outstanding at the beginning and at the end of the reporting period

March 31, 2016

	Number of shares	Rupees
<b>Equity shares</b>		
At the beginning	-	-
Issued during the period	20	200
<b>Outstanding at the end of the year</b>	<b>20</b>	<b>200</b>

### b. Terms/rights attached to equity shares

The Company has only one class of equity shares having a par value of Rs 10 each. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The dividend proposed, if any, 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 holder of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

### c. Shares held by holding company

Out of above equity shares issued by the Company, shares held by Suzlon Energy Limited (SEL), the holding company, are as below:

14 equity shares of Rs 10 each fully paid

March 31, 2016

140



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# Varadvinayak Renewables Limited

(Formerly known as Varadvinayak Wind Energy Limited)

Notes to financial statements for the period ended March 31, 2016

All amount in Rupees unless stated otherwise

## d. Details of shareholders holding more than 5% shares in the Company

Name of the shareholder	March 31, 2016	
	Number of shares	% holding in class
<b>Equity shares of Rs 10 each fully paid</b>		
Suzlon Energy Limited, holding company	14	70%

As per the records of the Company, including its register of shareholders/members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

## 4 Reserves and surplus

March 31, 2016

### Statement of profit and loss

As per last balance sheet

Add : Loss for the period

**Net deficit in the statement of profit and loss**

(356,421)

**(356,421)**

## 5 Short-term borrowings

March 31, 2016

### Unsecured loan

Loans from related parties

**Total**

36,709

**36,709**

## 6 Other current liabilities

March 31, 2016

Statutory dues

Other payables

**Total**

7,500

339,945

**347,445**

## 7 Short-term loans and advances

March 31, 2016

Advance for expense

**Total**

10,000

**10,000**

## 8 Cash and bank balances

March 31, 2016

Balances with banks:

In current accounts

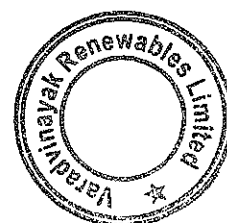
**Total**

17,933

**17,933**



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# Varadvinayak Renewables Limited

(Formerly known as Varadvinayak Wind Energy Limited)

Notes to financial statements for the period ended March 31, 2016

All amount in Rupees unless stated otherwise

## 9 Other expenses

	<u>March 31, 2016</u>
Auditors' remuneration	85,875
Consultancy charges	2,850
Legal expenses	5,904
Miscellaneous expenses	259,320
<b>Total</b>	<b><u>353,949</u></b>

## Payment to auditor

### As auditor

	<u>March 31, 2016</u>
Statutory audit	85,875
<b>Total</b>	<b><u>85,875</u></b>

## 10 Finance cost

	<u>March 31, 2016</u>
Bank charges	763
Interest on inter corporate deposit	1,709
<b>Total</b>	<b><u>2,472</u></b>

## 11 Earnings/ (loss) per share (EPS)

	<u>March 31, 2016</u>
<b>Basic</b>	
Loss after tax	(356,421)
Weighted average number of equity shares for calculating basic and diluted EPS	20
Basic and diluted* earnings/ (loss) per share of face value of Rs 10 each	(17,821.05)

\*Since the earnings/(loss) per share computation based on diluted weighted average number of shares is anti-dilutive, the basic and diluted earnings/(loss) per share is the same.

## 12 Related party disclosures

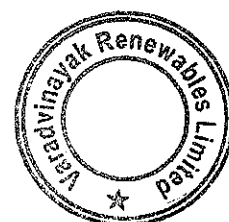
As per Accounting Standard 18 (AS 18): Related party disclosure as notified by the Rules, the disclosures of transactions with related parties as defined in the accounting standard are as below :

- a. List of related parties and nature of relationship where common control exists with whom transactions have taken place during the year.

Sr. No.	Name of the entity	Nature of relationship
1	Suzlon Energy Limited	Holding company



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## Varadvinayak Renewables Limited

(Formerly known as Varadvinayak Wind Energy Limited)

Notes to financial statements for the period ended March 31, 2016

All amount in Rupees unless stated otherwise

### b. Transactions between the Company and the related party and the status of outstanding balances:

Particulars	Holding company
<b>Transactions</b>	
Issue of equity shares	140
Loans / ICD received	35,000
Interest expense	1,709
Reimbursement of expenses	258,720
<b>Outstanding balances</b>	
Trade payables / other current liability	258,720
Unsecured loan	36,709

### c. Disclosure of significant transactions with related parties:

Type of transaction	Type of relationship	Name of entity / person	March 31, 2016
Issue of equity shares	Holding company	Suzlon Energy Limited	140
Loans / ICD received	Holding company	Suzlon Energy Limited	35,000
Interest expense	Holding company	Suzlon Energy Limited	1,709
Reimbursement of expenses	Holding company	Suzlon Energy Limited	258,720

## 13 Contingent Liabilities

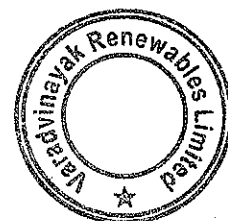
Based on the information available with the Company, contingent liabilities exists as on Balance Sheet date is Rs Nil.

## 14 Capital and other commitments

Estimated amount of contracts remaining to be executed on capital accounts and not provided for, net of advances is Rs Nil.



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## Varadvinayak Renewables Limited

(Formerly known as Varadvinayak Wind Energy Limited)

Notes to financial statements for the period ended March 31, 2016

All amount in Rupees unless stated otherwise

### 15 Additional information pursuant to the provisions of Schedule III of the Companies Act, 2013

- Value of imports calculated on CIF basis : Rs Nil
- Expenditure in foreign currency (accrual basis) : Rs Nil
- Imported and indigenous raw materials consumed : Rs Nil
- Earnings in foreign currency (accrual basis) : Rs Nil

- 16 The Company has been incorporated on July 03, 2015 and accordingly the figures are reported for the period July 03, 2015 to March 31, 2016. Hence previous year figures disclosure is not applicable.

As per our report of even date

For SNK & Co.  
Chartered Accountants  
ICAI Firm Registration No.: 109176W

  
per Vilesh Dalya  
Partner




Membership No.: 133752

Place : Pune  
Date : July 30, 2016

For and on behalf of the Board of Directors of  
Varadvinayak Renewables Limited

  
Kirti J. Vagadia  
Director  
DIN: 00605991

Place : Pune  
Date : July 30, 2016

  
Sriranj Iyer  
Director  
DIN: 07534351

