

Jain Chopra & Company

Chartered Accountants

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Independent Auditor's Report

To the Board of Directors of Indian Renewable Energy Development Agency Limited

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of **Indian Renewable Energy Development Agency Limited**, ("the Company"), which comprise the Balance Sheet as at Sept 30, 2015, the Statement of Profit and Loss and the Cash Flow Statement for the half year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of 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 standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan



and perform the audit to obtain reasonable assurance about whether the standalone financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the standalone 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 standalone 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 standalone financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone 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 Sept 30, 2015, and its profit and its cash flows for the half year ended on that date.

Emphasis of Matter

We draw attention to the following matters in the Notes to the standalone financial statements

- i. No. 24(1)(b) regarding provisions relating to Asset classification/provisioning of restructured/rescheduled accounts not being in conformity with the Articles of Association of the company.
- ii. No. 24 (3) related to provision for accounts which may or may not be classified as NPA at the end of the financial year.
- iii. No. 24 (4)(b) which describes the uncertainty related to the outcome of the petition filed against the company by M/s Mahakrishna Financial Services Pvt. Ltd.
- iv. No. 24 (11) regarding the obligation under section 135 of The Companies Act, 2013 on Corporate Social Responsibility (CSR) having not been discharged during the half year.
- v. No. 24 (24) which states that audit of accounts of Generation based Incentive funds has not been done.

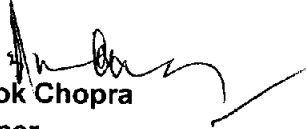
Our opinion is not modified in respect of these matters



Report on Other Legal and Regulatory Requirement

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure-I a statement on the matters specified in the paragraph 3 and 4 of the Order, to the extent applicable and in terms of sub-section (5) of section 143 of the Act we give in the Annexure-II information in respect of the directions issued by the Comptroller and Auditor-General of India.
2. As required by Section 143 (3) of the Act, we report that:
 - a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - b) in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - c) the Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - d) in our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
 - e) the provision of section 164(2) of the Act is not applicable to Govt. Company.
 - 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 has disclosed the impact of pending litigations on its financial position in its standalone financial statements-Refer Note 24 (4)(b) to the standalone financial statements;
 - ii. the Company does not have any long term contract including derivative contracts for which there are any material foreseeable losses;
 - iii. there is no amounts, required, to be transferred by the Company to the Investor Education and Protection Fund

For JAIN CHOPRA & COMPANY
Chartered Accountants
Firm's Registration No.02198N


Ashok Chopra
Partner
(Membership No. 017199)



Place: Delhi
Date : 17.12.15

Annexure-I to the Independent Auditors' Report

The Annexure referred to in our Independent Auditors' Report to the members of the Company on the standalone financial statements for the half year ended Sept 30, 2015, we report that:

- (i) (a) The company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets;
- (b) We are informed that the management has not physically verified the fixed assets during the half year ended Sept 30, 2015.
- (ii) (a) The company does not hold any inventories as such the provisions are not applicable
- (b) The company does not hold any inventories as such the provisions are not applicable
- (c) The company does not hold any inventories as such the provisions are not applicable
- (iii) In our opinion and according to the information explanations provided, 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.
- (iv) In our opinion and according to the information explanations provided, 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 goods and services. *However in following activities internal control needs to be strengthened*
 - a. *application of interest/reversal of interest in borrowers' accounts*
 - b. *delegation of authority at various levels to be reviewed*
 - c. *information technology system for maintenance of records*
- (v) The company has not accepted any deposits to which the directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act and the rules framed thereunder, where applicable.
- (vi) The Central Government has not prescribed the maintenance of cost records under sub-section (1) of section 148 of the Companies Act, in the case of the Company.
- (vii) (a) As per the records, the company is generally regular in depositing 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 any other statutory dues with the appropriate authorities.




(b) The Company is in appeal in the following case:

Name of the Statute	Subject	Ass. Yr.	Amount in Rs.	Forum
Income Tax Act, 1961	Income Tax/	2010-11	13.44 crore	Commissioner of Income Tax (Appeal)
Income Tax Act, 1961	Income Tax/	2011-12	14.96 crore	Commissioner of Income Tax (Appeal)
Income Tax Act, 1961	Income Tax/	2012-13	15.54 Crore	Commissioner of Income Tax (Appeal)

(c) There is no amounts, required, to be transferred by the Company to the Investor Education and Protection Fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made thereunder.

- (viii) The company does not have any accumulated losses as at Sept 30, 2015.
- (ix) The company has not defaulted in repayment of dues to a financial institution or bank or debenture holders during the half year ended Sept 30, 2015.
- (x) In our opinion and according to the information and explanations provided, the company has granted letters of comfort for acquisition of assets by the borrowers who have been sanctioned credit facilities, the terms and conditions whereof are not prejudicial to the interest of the company.
- (xi) The term loans obtained has been applied for the purpose for which the loans were obtained.
- (xii) According to the information explanations provided, no fraud committed on or by the company has been noticed or reported during the course of our audit.

For JAIN CHOPRA & COMPANY
Chartered Accountants
Firm's Registration No.02198N


Ashok Chopra
Partner
(Membership No. 017199)



Place: Delhi
Date : 17.12.15

Annexure-II to the Independent Auditors' Report

Information in respect of the directions issued by the Comptroller and Auditor-General of India.

1. If the company has been selected for disinvestment, a complete status report in terms of valuation of Assets (including intangible assets and land) and Liabilities (including Committed & General Reserve) may be examined including the mode and present stage of disinvestment process.

Answer: - Not applicable

2. Please report whether there are any cases of waiver/write off of debts/ loans/interest etc. if yes, the reasons there for and the amount involved.

Answer: - Nil.

3. Whether proper records are maintained for inventories lying with third parties & assets received as gift from Govt. or other authorities.

Answer: - Not applicable

4. Report on age-wise analysis of pending legal/arbitration cases including the reasons of pendency and existence/effectiveness of a monitoring mechanism for expenditure on all legal cases (foreign and local) may be given.

Answer: - On the basis of information and examination of relevant records, the legal expenses being spent are reasonable and the company has a standard schedule of fee. All the legal expenses are debited to the borrower's account only. During the last 2 1/2 years only 05 DRT cases have been filed. The company also files criminal cases u/s 138 of Negotiable Instrument Act against the dishonor of cheque. The company has no litigation in foreign countries and no arbitration cases.

Age-wise status of DRT cases

As on 30.09.2015	01.04.2015 to 30.09.2015	01.04.2014 to 31.03.2015 (Up to 1 year)	01.04.2013 to 31.03.2014 (1 - 2 year)	01.04.2012 to 31.03.2013 (2 - 3 year)	Above 3 year	Total
	02	02	01	04	26	35

Cases pending	11
Cases decreed	20
Sine Die	04 matters-all matters are decreed



Age-wise status of criminal cases u/s 138 of Negotiable Instrument Act

As on 30.09.2015	on to 01.04.2015 to 30.09.2015	01.04.2014 to 31.03.2015 (Up to 1 year)	01.04.2013 to 31.03.2014 (1 – 2 year)	01.04.2012 to 31.03.2013 (2 – 3 year)	Above 3 year	Total
	30	54	77	55	328	544

Summoning stage	76
For issuance of notice/appearance of accused	468

