

INDEPENDENT AUDITOR'S REPORT

To the Members of KKV Agro Powers Limited (Formerly known as Nachas Wind Energy Private Limited)

Report on the Financial Statements

We have audited the accompanying financial statements of KKV Agro Powers Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2015, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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



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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal 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 accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2015, its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

- (1) As required by the Companies (Auditors' 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, a statement on the matters specified in paragraphs 3 and 4 of the Order to the extent applicable.
- (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 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. On the basis of written representations received from the directors as on March 31, 2015, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2015 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 hence, the question of any material foreseeable losses does not arise;
- (iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For Haribhakti & Co. LLP

Chartered Accountants

ICAI Firm Registration No.103523W



CS Sathyanarayanan

Partner

Membership No.028328

Coimbatore

06-07-2015

ANNEXURE TO INDEPENDENT AUDITOR'S REPORT

[Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditor's Report of even date to the members of KKV Agro Powers Limited (Formerly known as Nachas Wind Energy Private Limited) on the financial statements for the year ended 31-03-2015]

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) During the year, the fixed assets of the Company have been physically verified by the management and as informed, no material discrepancies were noticed on such verification. In our opinion, the frequency of verification is reasonable having regard to the size of the Company and the nature of its assets.
- (ii) (a) The company is in the business of generation and distribution of electricity and hence the reporting requirements in respect of inventory is not applicable.
- (iii) As informed, 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 Act. Accordingly, the provisions stated in paragraph 3 (iii)(a) and 3 (iii)(b) of the Order are not applicable.
- (iv) In our opinion and according to the information and explanations given to us, there exists an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of inventory and fixed assets and for the sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal control system of the Company.
- (v) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public within the provisions of Sections 73 to 76 of the Act and the rules framed there under.
- (vi) The Central Government of India has not prescribed the maintenance of cost records for any of the products of the Company under sub-section (1) of Section 148 of the Act and the rules framed there under.
- (vii) (a) The Company is regular in depositing with appropriate authorities, undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, value added tax, customs duty, excise duty, cess and any other material statutory dues applicable to it.

AND

(a) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, value added tax, customs duty, excise duty, cess and any other material statutory dues applicable to it, were outstanding, at the year end, for a period of more than six months from the date they became payable.



(b) According to the information and explanation given to us, there are no dues with respect to income tax, sales tax, wealth tax, service tax, value added tax, customs duty, excise duty, cess and any other material statutory dues applicable to it, which have not been deposited on account of any dispute.

(c) According to the information and explanations given to us, there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

- (viii) As the Company is registered for a period of less than five years, clause (viii) of paragraph 3 of the Order is not applicable to the Company.
- (ix) According to the information and explanations given to us, the Company has not defaulted in repayment of dues to financial institution(s), bank(s) or debenture holder(s).
- (x) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.
- (xi) According to the information and explanations given to us, the term loans have been applied for the purpose for which the loans were obtained.
- (xii) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud on or by the Company, noticed or reported during the year, nor have we been informed of any such instance by the management.

For Haribhakti & Co. LLP

Chartered Accountants

ICAI Firm Registration No.103523W

CS Sathyanarayanan

Partner

Membership No. 028328



Coimbatore

06-07-2015

KKV Agro Powers Limited (Formerly known as Nachas Wind Energy Private Limited) Balance Sheet as at 31st March 2015 CIN:U40108TZ2012PLC018332			
		(Amount in ₹)	(Amount in ₹)
PARTICULARS	Note No.	As at 31st March, 2015	As at 31st March, 2014
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	2.01	96,76,000	96,76,000
Reserves and Surplus	2.02	1,46,68,335	96,85,928
Non-Current Liabilities			
Long Term Borrowings	2.03	3,88,87,767	4,69,79,000
Deferred Tax Liabilities (Net)	2.04	58,30,947	35,36,120
Long term Provisions	2.05	40,943	-
Current Liabilities			
Short Term Borrowings	2.06	4,80,31,955	-
Other Current Liabilities	2.07	1,26,29,531	2,69,93,942
Short Term Provisions	2.08	4,31,838	11,36,147
Total		13,01,97,316	9,80,07,137
ASSETS			
Non-Current Assets			
Fixed Assets	2.09		
- Tangible Assets		9,05,66,917	7,47,18,268
Long Term Loans & Advances	2.10	75,68,730	43,24,284
Current Assets			
Trade Receivables	2.11	30,59,490	10,68,336
Cash and Cash Equivalents	2.12	2,70,18,467	1,62,96,249
Short Term Loans & Advances	2.13	10,09,052	16,00,000
Other Current Assets	2.14	9,74,660	-
Total		13,01,97,316	9,80,07,137

Summary of Significant Accounting Policies and Notes to Financial Statements

1 & 2

Vide our report of date attached
For Haribhakti & Co. LLP
Chartered Accountants
Firm Registration No. 103523W

For and on behalf of the Board of Directors

T. K. Chandiran

T.K.Chandiran
Director

C. Selvi

C.Selvi
Director

C.S. Sathyanarayanan
C.S.SATHYANARAYANAN
Partner
Membership No. 028328

C. Renuka
C. Renuka
Secretary &
Chief Financial Officer

Place : Coimbatore
Date : 06.07.2015



KKV Agro Powers Limited
(Formerly known as Nachas Wind Energy Private Limited)
Statement of Profit & Loss for the year ended 31st March 2015

CIN:U40108TZ2012PLC018332 (Amount in ₹) (Amount in ₹)

	Particulars	Note No.	2014-15	2013-14
I.	Revenue from Operations	2.15	3,57,57,384	2,61,93,401
II.	Other Income	2.16	17,979	-
III.	Total Revenue (I+II)		3,57,75,363	2,61,93,401
IV.	Expenses:			
	Power Generation Expenses	2.17	57,79,074	33,18,965
	Employee Benefit Expenses	2.18	20,62,537	17,10,401
	Finance Costs	2.19	71,43,268	7,54,281
	Depreciation and Amortization Expenses	2.09	47,07,166	5,38,822
	Other expenses	2.20	88,06,085	1,06,48,931
	Total Expenses		2,84,98,130	1,69,71,400
V.	Profit before Tax (I - II)		72,77,233	92,22,001
VI.	Tax Expense:			
	(1) Current tax		14,02,196	17,84,284
	(2) Deferred Tax		22,94,827	29,56,731
	(3) MAT Credit		(14,02,196)	(17,84,284)
	(4) Taxation for Earlier Years		-	86,463
VII.	Profit for the period (III - IV)		49,82,407	61,78,807
VIII.	Earnings Per Equity Share of face value ₹	2.23		
	- Basic & Diluted		73.70	91.40

Summary of Significant Accounting
Policies and Notes to Financial Statements 1 & 2

Vide our report of date attached
For Haribhakti & Co.LLP
Chartered Accountants
Firm Registration No. 103523W

C.S.SATHYANARAYANAN
Partner
Membership No. 028328

For and on behalf of the Board of Directors

T.K.Chandiran.

C. Renuka

T.K.Chandiran
Director

C. Selvi

C.Selvi
Director

C. Renuka
Secretary &
Chief Financial Officer

Place : Coimbatore
Date : 06.07.2015



KKV Agro Powers Limited
(Formerly known as Nachas Wind Energy Private Limited)
Cash Flow Statement for the year ended 31-03-2015
CIN:U40108TZ2012PLC018332

Particulars	2014-15		2013-14	
	in ₹	in ₹	in ₹	in ₹
Net Profit/(Loss) After tax		49,82,407		61,78,807
Add Back:				
Depreciation on Fixed Assets	47,07,166		5,38,822	
Interest Received	(17,979)		-	
Interest Paid	71,43,268	1,18,32,455	7,54,281	12,93,103
CASH GENERATED BEFORE WORKING CAPITAL CHANGES		1,68,14,861		74,71,910
Changes in Trade Receivables	(19,91,154)		22,49,555	
Changes in Long Term Loans and Advances	(32,44,446)		(49,19,284)	
Changes in Short Term Loans and Advances	5,90,948		(10,00,000)	
Changes in Other Current Liabilities	(1,43,64,411)		2,44,16,327	
Changes in Other Current Assets	(9,74,659)		3,43,066	
Changes in Non Current Liabilities	22,94,827		29,56,731	
Changes in Long Term Provisions	40,943		-	
Changes in Short Term Borrowings	4,80,31,955		-	
Changes in Short Term Provisions	(7,04,310)	2,96,79,694	4,81,960	2,45,28,356
NET CASH FLOW FROM OPERATING ACTIVITIES (A)		4,64,94,555		3,20,00,265
Purchase of Fixed Assets	(2,05,55,816)		(7,27,48,540)	
Interest Received	17,979		-	
NET CASH FLOW FROM INVESTING ACTIVITIES (B)		(2,05,37,837)		(7,27,48,540)
Proceeds from Issue of Preference Shares	-		90,00,000	
Repayment of loans	(80,91,233)		-	
Proceeds from Loans	-		4,69,79,000	
Interest Paid	(71,43,268)		(7,54,281)	
NET CASH FLOW FROM FINANCING ACTIVITIES (C)		(1,52,34,501)		5,52,24,719
NET INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C)		1,07,22,218		1,44,76,444
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD		1,62,96,249		18,19,805
CASH AND CASH EQUIVALENTS AT END OF PERIOD		2,70,18,467		1,62,96,249

Vide our report of date attached
Haribhakti & Co LLP
Chartered Accountants
Firm Registration No. 103523W

C S Sathyanarayanan
Partner
Membership No. 028328
Date : 06.07.2015

C Renuka
Secretary &
Chief Financial Officer

For and on behalf of the Board of Directors

T.K. Chandiran

T.K.Chandiran
Director

C. Selvi
C.Selvi
Director



EQUITY AND LIABILITIES
Notes to Financial Statements

SHAREHOLDERS' FUNDS
Note No.2.01 SHARE CAPITAL

Particulars	As at 31.03.2015		As at 31.03.2014	
	In Numbers	Amount in ₹	In Numbers	Amount in ₹
Authorised				
1,00,000 Equity Shares of ₹ 10/- each	1,00,000	10,00,000	1,00,000	10,00,000
90,000 3% Redeemable Cumulative preference shares of ₹ 100/- each	90,000	90,00,000	90,000	90,00,000
Issued, Subscribed and Paid up				
67,600 Equity Shares of ₹ 10/- each	67,600	6,76,000	67,600	6,76,000
90,000 3% Redeemable Cumulative preference shares of ₹ 100/- each	90,000	90,00,000	90,000	90,00,000
		96,76,000		96,76,000

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

Equity Shares:				
Particulars	As at 31.03.2015		As at 31.03.2014	
	In Numbers	Amount in ₹	In Numbers	Amount in ₹
Shares outstanding at the beginning of the year	67,600	6,76,000	67,600	6,76,000
Shares issued during the year	-	-	-	-
Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	67,600	6,76,000	67,600	6,76,000

3% Redeemable Cumulative preference shares:

Particulars	As at 31.03.2015		As at 31.03.2014	
	In Numbers	Amount in ₹	In Numbers	Amount in ₹
Shares outstanding at the beginning of the year	90,000	90,00,000	-	-
Shares issued during the year	-	-	90,000	90,00,000
Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	90,000	90,00,000	90,000	90,00,000

b. Terms/rights attached to equity shares :

- The company has only one class of equity shares having a par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share.
- The final dividend declared, if any, is subject to the approval of the members in the Annual General Meeting.

c. Terms/rights attached to preference shares :

- The preference shares are redeemable at par at any time after the expiry of 3 years from the date of issue i.e., 31-03-2014.
- The preference shareholders have voting rights only in respect of matters directly affecting the rights of Preference Shareholders.
- The preference shareholders have preference on the distribution of the dividend.

d. Details of Shareholders holding more than 5% shares in the company :

Equity Shares:

Name of the Shareholder	As at 31.03.2015		As at 31.03.2014	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Mr. T.K.Chandiran	37,273	55.14%	37,250	55.10%
Ms. C.Selvi	10,000	14.79%	10,000	14.79%
SKM Animal Feeds and Foods (India) Ltd	17,427	25.78%	17,600	26.04%

3% Redeemable Cumulative preference shares:

Name of the Shareholder	As at 31.03.2015		As at 31.03.2014	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Mr. T.K.Chandiran	90,000	100.00%	90,000	100.00%



Notes to Financial Statements

Note No.2.02 RESERVES & SURPLUS

Particulars	As at 31.03.2015	As at 31.03.2014
	Amount in ₹	Amount in ₹
Surplus in the Statement of Profit & Loss		
Opening balance	96,85,928	35,07,121
Less : Profit/(Loss) transferred from Statement of Profit and Loss	49,82,407	61,78,807
	1,46,68,335	96,85,928

Note No.2.03 LONG TERM BORROWINGS :

Particulars	Non-Current Portion		Current Maturities	
	As at 31.03.2015	As at 31.03.2014	As at 31.03.2015	As at 31.03.2014
Term Loans				
Secured:				
from Banks	3,88,87,767	4,69,79,000	1,20,00,000	1,00,00,000
	3,88,87,767	4,69,79,000	1,20,00,000	1,00,00,000
Amount disclosed under the head other current liabilities (Refer Note no :2.07)	-	-	(1,20,00,000)	(1,00,00,000)
	3,88,87,767	4,69,79,000	-	-

- Term Loan from Indian Bank is secured by (a) Hypothecation of specific Plant & Machinery purchased out of the term loan which is located at Uthamapalayam Village, Tirupur District and (b) Equitable Mortgage of land measuring 6.70 acres at Uthamapalayam Village, Tirupur District, TamilNadu by deposit of title deed.
- The Loan is repayable in 50 monthly installments of ₹ 10 Lakhs each.
- The interest is payable on monthly basis and the rate of interest is 13.25% per annum.

Note No.2.04 DEFERRED TAX

Particulars	As at 31.03.2015	Charged/Reversed during the year	As at 31.03.2014
	Amount in ₹	Amount in ₹	Amount in ₹
Deferred Tax Liability			
- On Fixed Assets	2,06,79,187	94,20,264	1,12,58,923
A	2,06,79,187	94,20,264	1,12,58,923
Deferred Tax Asset			
- On Business Loss and Unabsorbed Depreciation	1,48,48,240	71,25,438	77,22,802
B	1,48,48,240	71,25,438	77,22,802
Net Deferred Tax Liability	58,30,947	22,94,827	35,36,120
A - B			

Note No.2.05 LONG TERM PROVISIONS

Particulars	As at 31.03.2015	As at 31.03.2014
	Amount in ₹	Amount in ₹
Gratuity Payable (Refer Note No. 2.25)	40,943	-
	40,943	-

Note No.2.06 SHORT TERM BORROWINGS

Particulars	As at 31.03.2015	As at 31.03.2014
	Amount in ₹	Amount in ₹
Unsecured		
Loan from Director	4,80,31,955	-
	4,80,31,955	-

Note No.2.07 OTHER CURRENT LIABILITIES

Particulars	As at 31.03.2015	As at 31.03.2014
	Amount in ₹	Amount in ₹
Current Maturities of Long Term Debt (Refer Note no:2.03)	1,20,00,000	1,00,00,000
Interest accrued and due on borrowings	-	3,79,922
Statutory Dues Payable	1,49,217	4,41,138
Creditors for Capital Goods	-	1,18,98,859
Other Payables	4,80,314	27,74,023
Security Deposit Received	-	15,00,000
	1,26,29,531	2,69,93,942



Notes to Financial Statements

Note No.2.08 SHORT TERM PROVISIONS

Particulars	As at 31.03.2015	As at 31.03.2014
	Amount in ₹	Amount in ₹
Provision for Tax (Net)	4,31,838	11,36,147
	4,31,838	11,36,147

ASSETS

NON CURRENT ASSETS

Note No.2.10 LONG TERM LOANS AND ADVANCES

Particulars	As at 31.03.2015	As at 31.03.2014
	Amount in ₹	Amount in ₹
Unsecured, considered good		
Security Deposits	1,05,000	1,05,000
MAT Credit Entitlement	31,86,480	17,84,284
Prepaid Expenses	18,21,000	24,35,000
Capital advances (Refer Note No: 2.24)	24,56,250	-
	75,68,730	43,24,284

CURRENT ASSETS

Note No.2.11 TRADE RECEIVABLES

Particulars	As at 31.03.2015	As at 31.03.2014
	Amount in ₹	Amount in ₹
Unsecured, considered good		
a) Debts outstanding for a period exceeding six months	4,87,327	-
b) Other Debts		
- Considered good	25,72,163	10,68,336
	30,59,490	10,68,336

Note No.2.12 CASH AND CASH EQUIVALENTS

Particulars	As at 31.03.2015	As at 31.03.2014
	Amount in ₹	Amount in ₹
Cash and Bank Balances		
Cash on Hand	11,07,496	12,48,683
Balance with Banks		
In Current Account	2,59,10,971	1,50,47,566
	2,70,18,467	1,62,96,249

Note No.2.13 SHORT TERM LOANS AND ADVANCES

Particulars	As at 31.03.2015	As at 31.03.2014
	Amount in ₹	Amount in ₹
Unsecured, considered good		
Prepaid Expenses	9,41,636	6,00,000
Balance with Government authorities	-	10,00,000
Advance for Expenses	67,416	-
	10,09,052	16,00,000

Note No.2.14 OTHER CURRENT ASSETS

Particulars	As at 31.03.2015	As at 31.03.2014
	Amount in ₹	Amount in ₹
Energy Charges Recivable	9,74,660	-
	9,74,660	-



Notes to Financial Statements

Note No. 2.09 - FIXED ASSETS

Particulars	Gross Block				Depreciation				Net Block	
	As on 01.04.2014	Additions	Deletions	As on 31.03.2015	Upto 31.03.2014	For the Year	Withdrawn	Upto 31.03.2015	As on 31.03.2015	As on 31.03.2014
Tangible Assets										
Land	28,77,423	-	-	28,77,423	-	-	-	-	28,77,423	28,77,423
Building	-	7,13,132	-	7,13,132	-	1,02,085	-	1,02,085	6,11,047	-
Plant and Machinery	7,23,92,442	1,56,17,000	-	8,80,09,442	8,26,183	47,41,247	5,27,632	50,39,798	8,29,69,644	7,15,66,259
Computers	2,60,488	2,09,600	-	4,70,088	87,119	1,32,056	45,099	1,74,076	2,96,012	1,73,369
Furniture & Fittings	57,850	-	-	57,850	13,721	5,809	8,540	10,990	46,860	44,129
Office Equipments	16,550	4,500	-	21,050	430	3,864	283	4,012	17,038	16,120
Electrical Fittings	41,487	2,34,435	-	2,75,922	519	11,408	342	11,585	2,64,337	40,968
Motor Vehicles	-	37,77,149	-	37,77,149	-	2,92,593	-	2,92,593	34,84,556	-
Total	7,56,46,240	2,05,55,816	-	9,62,02,056	9,27,972	52,89,062	5,81,896	56,35,138	9,05,66,917	7,47,18,268
Previous Year	28,97,700	7,27,48,540	-	7,56,46,240	3,89,150	5,38,822	-	9,27,972	7,47,18,268	-

(Amount in ₹)

Note : Depreciation withdrawn during the year is on account of change in the method of depreciation (Refer Note No 2.26).



Notes to Financial Statements**Note No. 2.15 REVENUE FROM OPERATIONS**

Particulars	2014-2015	2013-14
Revenue from Operations		
Sale of Electricity	3,53,96,984	2,61,93,401
Other Operating Revenue		
Sale of Renewable Energy Certificates	3,60,400	-
	3,57,57,384	2,61,93,401

Note No. 2.16 OTHER INCOME

Particulars	2014-2015	2013-14
Interest on Fixed deposit	17,979	-
	17,979	-

Note No. 2.17 POWER GENERATION EXPENSES

Particulars	2014-2015	2013-14
Banking Charges	12,45,483	7,27,869
Transmission & Wheeling Charges	22,53,122	15,47,625
Other Operating power generating expenses	22,51,842	10,43,471
REC Application & Trading Fees	28,627	-
	57,79,074	33,18,965

Note No. 2.18 EMPLOYEE BENEFIT EXPENSES

Particulars	2014-2015	2013-14
Salaries & Wages	17,00,078	15,45,000
Bonus	1,34,000	1,35,000
ESI Employer Contribution	1,10,298	-
EPF Employer Contribution	42,982	-
Staff Welfare Expenses	34,236	30,401
Gratuity Expense	40,943	
	20,62,537	17,10,401

Note No. 2.19 FINANCE COSTS

Particulars	2014-2015	2013-14
Interest Expenses	70,61,825	4,62,418
Other Borrowing Costs	81,443	2,91,863
	71,43,268	7,54,281



Notes to Financial Statements**Note No. 2.20 OTHER EXPENSES**

Particulars	2014-2015	2013-14
Repair & Maintenance		
- Plant & Machinery	42,56,012	34,75,434
- Vehicles	1,25,000	-
- Others	2,63,465	21,415
Professional Charges	5,41,545	31,87,057
Insurance	80,178	59,137
Rent	2,75,667	10,50,000
Commission	5,83,999	5,29,056
Travelling Expenses	87,849	2,65,803
Rates & taxes	83,778	1,49,081
Bank Charges	9,264	35,277
Auditor's Remuneration	3,08,203	2,05,618
Director's Remuneration	17,70,000	14,25,000
Office Expenses	33,056	51,812
REC charges	67,517	-
Royalty	1,79,085	-
Donation	30,000	51,000
Printing & Stationery	19,845	21,436
Telephone Charges	70,126	82,950
Subscription Charges	21,496	38,855
	88,06,085	1,06,48,931

AUDITORS REMUNERATION

Particulars	2014-2015	2013-14
a. For Statutory Audit	2,20,000	2,00,000
b. For Taxation Matters	50,000	-
c. For reimbursement of expenses	6,500	5,000
d. Service Tax	31,703	618
	3,08,203	2,05,618



KKV Agro Powers Limited
(Formerly known as Nachas Wind Energy Private Limited)
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2015

2.21 The company has converted from a Private limited company to a Public limited company along with change of name of the company from Nachas Wind Energy Private Limited to KKV Agro Powers Limited vide fresh Certificate of Incorporation given by the Ministry of Corporate Affairs on 18-05-2015.

2.22 Commitments and contingent liabilities

Particulars	2014-15	2013-14
Contingent Liabilities		
Cumulative Preference dividend payable	2,70,000	-
Dividend Distribution tax on the above	53,984	-

2.23 EARNINGS PER SHARE

(Amount in ₹)

Particulars	2014-15	2013-14
Profit/(Loss) after Tax	49,82,407	61,78,807
Equity Shares of ₹ 10 each (Nos)	67,600	67,600
Weighted Average No. of Shares	67,600	67,600
Earnings Per Share (in ₹)	73.70	91.40

2.24 RELATED PARTY DISCLOSURES

(i) List of related parties with whom transactions have taken place during the year 2014-15 and relationship:

(a) Key Management Personnel:

- Mr.T.K.Chandiran
- Ms.C.Selvi
- Mr.A.C.Vineeth Kumar

(b) Others: (Enterprise over which key management personnel are able to exercise significant influence)

- The KTM Jewellery Limited
- SCM Global Brands Private Limited

SKM Animal Feeds & Foods (India) Limited holds shares for the limited purpose of captive user of power generated by the company and hence it is not an Associate within the meaning of AS-18 "Related Parties."

(ii) Related Party Transactions:

(Amount in ₹)

Nature of Transactions	Key Management Personnel		Others	
	2014-15	2013-14	2014-15	2013-14
Purchases of Fixed Assets	-	-	1,50,00,000	-
Director's Remuneration	17,70,000	14,25,000	-	-
Reimbursement of expenses	-	9,48,027	1,44,02,122	71,35,488
Security Deposit Received	-	-	-	15,00,000
Cumulative Redeemable preference shares allotted	-	90,00,000	-	-
Royalty payment	-	-	1,79,085	-
Advances given for purchase of fixed assets	-	-	23,06,250	-
Loan from Director	4,80,31,955	-	-	-
Dues to related parties	-	-	1,61,206	15,00,000

SKM Animal feeds & foods (India) Limited holds shares for the limited purpose of captive user of power generated by the company and hence it is not an associate within the meaning of AS -18 "Related parties."

2.25 The company has adopted the accounting standard 15:-

Description of the Company's defined benefit plan:

The company operates a defined benefit plan for payment of post employment benefits in the form of gratuity. Benefits under the plan are based on pay and years of service and vested on completion of five years of service, as provided in the Payment of Gratuity Act, 1972. The terms of benefits are common for all the employees of the company.



Principal actuarial assumptions used as at the balance sheet date:

Particulars	31/03/2015	31/03/2014
Discount rate	7.72% p.a.	-
Salary Escalation rate	6.00 % p.a.	-
Attrition rate	5.00 % p.a.	-
Expected return on plan assets	0.00 % p.a.	-

Reconciliation in respect of the changes in the present value of obligation:

Particulars	31/03/2015	31/03/2014
Present value of obligation 01-04-2014 and 01-04-2013	-	-
Add:		
Current service cost	40,943	-
Interest Cost	-	-
Actuarial (Gains) / losses on obligation	-	-
Benefits paid	-	-
Present value of obligations as on 31-03-2015 and 31-03-2014	40,943	-

Reconciliation in respect of the changes in the fair value of plan assets:

Particulars	31/03/2015	31/03/2014
Fair value of plan assets as on 01-04-2013 and 01-04-2013	-	-
Add:		
Expected rate of return	-	-
Actuarial Gains/(losses)	-	-
Contributions by employer	-	-
Benefits paid	-	-
Fair value of plan assets as on 31-03-2015 and 31-03-2014	-	-

Amounts recognised in the Balance sheet :	31/03/2015	31/03/2014
	₹	₹
Present value of the obligation	-	-
Fair value of plan assets	-	-
Liability/(Asset)	40,943	-
Unrecognised past service cost	-	-
Liability/(Asset) in the Balance sheet	40,943	-

The total expenditure recognized in the statement of profit and loss is as follows:

Particulars	31/03/2015	31/03/2014
	₹	₹
Current Service Cost	40,943	-
Interest Cost	-	-
Expected Return on Plan Assets	-	-
Past Service Cost	-	-
Net Actuarial (Gains)/losses	-	-
Amount to be recognised in the statement of profit and loss	40,943	-

Disclosure requirement pursuant to para 120(n) of AS-15 (to the extent available):

Particulars	31/03/2015	31/03/2014
	₹	₹
Present value of the defined benefit obligation	-	-
Fair value of plan assets	-	-
Deficit/(Surplus) in plan assets	-	-
The experience adjustments on plan liabilities	-	-
The experience adjustments on plan assets	-	-

2.26 a) Effective April 1, 2014, the Company has, with retrospective effect, changed its method of providing depreciation on tangible fixed assets from 'Written Down Value' method to 'Straight Line' method. Accordingly, depreciation is now provided on Straight Line basis for tangible fixed assets. Management believes that this change will result in more appropriate presentation and will give a systematic basis of depreciation charge, representative of the time pattern in which the economic benefits will be derived from the use of these assets.

Consequent to the above, the impact of the change in the method of providing depreciation upto March 31, 2014 amounting to ₹ 5,81,896 has been credited to the Statement of Profit and Loss. Had the company followed the existing policy, the balance in net Tangible Fixed Assets, Reserves and Surplus and the profit for the year would have been lower by ₹ 5,81,896.

b) The management of the Company has reassessed the useful life of tangible fixed assets in accordance with Schedule II of the Companies Act, 2013 and depreciation has been provided based on the remaining useful life of the asset on a straight line basis.

Consequent to the above, depreciation for the year is higher by ₹ 10,18,418.



2.27 Previous year's figure's are reclassified wherever necessary to conform to the current year's classification.

2.28 Figures have been rounded off to the nearest rupee.

Vide our report of date attached
For Haribhakti & Co. LLP
Chartered Accountants
Firm Registration No. 103523W

C.S.SATHYANARAYANAN
Partner
Membership No. 028328

Place : Coimbatore
Date : 06.07.2015



For and on behalf of the Board of Directors

T.K. Chandiran

T.K.Chandiran
Director

C. Selvi

C.Selvi
Director

C. Renuka

C. Renuka
Secretary &
Chief Financial Officer

Notes to Financial Statements for the year ended 31-03-2015

1 SIGNIFICANT ACCOUNTING POLICIES:

1.1 a) Basis of Preparation:

The financial Statements have been prepared to comply in all material respects with the accounting standards specified under section 133 of the Companies Act read with rule 7 of the companies (Accounting Standards) Rules, 2014 and the relevant provisions of the companies Act, 2013. The Financial Statements have been prepared under the historical cost convention on an accrual basis. This accounting policy has been consistently applied by the company with those used in the previous year.

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 amount of assets, liabilities, disclosures relating to contingent liabilities and assets as at the balance sheet date and the reported amounts of income and expenses during the year. Difference between the actual amounts and the estimates are recognised prospectively in the year in which the events are materialised.

1.2 Fixed Assets & Depreciation:

- a) Fixed Assets are stated at original cost less accumulated depreciation and accumulated amortization.

Costs include all expenses related to acquisition and installation of the concerned assets.

- b) As at each Balance sheet date, the carrying amount of assets is tested for impairment so as to determine

i) The provision for impairment loss, if any, required or

ii) The reversal, if any, required of impairment loss recognized in previous periods.

Impairment loss is recognised when the carrying amount of an asset exceeds its recoverable amount.

- c) Depreciation is provided on straight line Method based on the useful life specified in Schedule II of the Companies Act, 2013

1.3 Investments:

- a) Long Term Investments are stated at cost.

- b) Current Investments are carried at lower of cost and fair value as on the Balance Sheet date.

- c) Provision for diminution in value of long-term investments is made, if the diminution is other than temporary.

1.4 Inventories:

- a) Inventories are valued at lower of cost and estimated net realizable value.

1.5 Foreign Currency Transaction :

- a) Foreign Currency Transactions are recorded at exchange rates prevailing on the date of such transaction.

- b) Foreign Currency assets and liabilities at the year end are realigned at the exchange rate prevailing at the year end and the difference on realignment is recognized in the Statement of profit & Loss.

- c) Premium / Discount in respect of Forward contract are amortized as expense / income over the period of contract. Exchange difference arising on forward contracts between the exchange rate on the date of the transaction and the exchange rate prevailing at the year end is recognized in the Statement of Profit & Loss.



1.6 Revenue Recognition:

- a) Revenue is generally recognized and expenditure is accounted for on their accrual except those with significant uncertainties.
- b) Revenue from Sale of goods is recognized when the risk and rewards of ownership are passed on to the customers, which is generally on dispatch of goods.
- c) Insurance claims are accounted, as and when settled or received.
- d) Revenue from sale of Renewable Energy Certificates (REC) are recognised as and when the certainty of its recoverable value is ascertained and when the certificates are transferred to the buyer.
- e) Interest income is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.

1.7 Taxes on Income:

- a) Current Tax on income is determined on the basis of taxable income and tax credits computed in accordance with the provisions of the Income tax act 1961, and based on the expected outcome of assessments/appeals.
- b) Deferred tax assets are recognized and carried forward to the extent that there is a virtual certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. Deferred tax assets on business loss and unabsorbed depreciation are recognized and carried forward to the extent that there is virtual certainty that sufficient taxable income will be available against which such deferred tax asset can be realised.
- c) Minimum Alternative 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 the 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 statement of profit and loss 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 Company will pay normal Income Tax during the specified period.

1.8 Employee Benefits:

- a) Short-term employee benefits are recognised as an expense at the undiscounted amount in the Statement of Profit and Loss of the year in which the related service is rendered.
- b) Payments to defined contribution schemes are charged as expense as and when incurred.
- c) Post employment and other long term, benefits, which are defined benefit plans, are recognised as an expense in the Statement of Profit and Loss for the year in which the employee has rendered service. The expense is recognised based on the present value of the obligation determined in accordance with Accounting Standard 15 on "Employee Benefits". Actuarial gains & losses are charged to the Statement of Profit and Loss.
- d) Termination benefits are recognised as an expense, as and when incurred.

1.9 Borrowing Cost:

- a) Interest and other related costs, including amortized costs of borrowings related to the project or acquisition of qualifying assets are capitalized as part of the respective assets. All the other borrowing costs are charged to revenue.
- b) A qualifying asset is an asset that necessarily requires a substantial period of time to get ready for its intended use or sale.



1.10 Earnings per Share:

- a) Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity Shareholders by the the weighted average number of equity shares outstanding during the period.
- b) For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

1.11 Provisions :

- a) A provision is recognised when an enterprise has a present obligation as a result of past event and it is probable that an outflow of resources would be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined.
- b) A disclosure for a contingent liability is also made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

1.12 CASH AND CASH EQUIVALENTS :

- a) Cash flow is reported using indirect method, whereby net profit before tax is adjusted for the effects of transaction of a non cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flow comprises regular revenue generating, investing and financing activities of the company. Cash and cash equivalents in the balance sheet comprise of cash at bank and in hand and short term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

