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EN Renewable Energy Limited, EN Wind Power Private Limited and Generacion Eolica India Limited

Notes to combined financial statements (Unaudited)

All figures in Indian Rupees (INR)

1. Nature of operations

EN Renewable Energy Limited ('ENRE'), EN Wind Power Private Limited ('ENWP') and Generacion Eolica India Limited ('GEI') (Together 'the Companies') are domiciled in India and were formed for the purpose of developing, constructing, owning and operating are engaged in wind power generation businesses. A State Government Power Distribution Companies ('Discom') in India has entered into Power Purchase Agreements ('PPA') with each of the above mentioned Companies and all the electricity generated by the Companies is purchased by such Discoms.

Fersa Energia Renovables S.A, Spain ('FERSA') holds 100% of the total shares in the Companies either directly or through Fersa India Private Limited, its wholly owned subsidiary.

Basis of presentation

These financial statements represent combined financial statements of ENRE, ENWP and GEI as of March 31, 2015 and for the three-month periods ended March 31, 2015 and 2014. The combined financial statements have been prepared in accordance with U.S. generally accepted accounting principles ("U.S. GAAP"). The Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") is the source of authoritative U.S. GAAP to be applied by non-governmental entities.

These combined financial statements are presented in Indian Rupees ('INR') except as otherwise indicated. Transaction gains and losses that arise from exchange rate fluctuations on transactions and balances denominated in a currency other than the functional currency are generally included in the statements of income as incurred.

The combined financial statements have been prepared using the Companies' historical basis for assets and liabilities, and include all revenues, expenses, assets, and liabilities attributed to these assets.

All significant inter-company transactions and balances have been eliminated in the combined financial statements.

2. Summary of significant accounting policies

Use of estimates

In preparing the combined financial statements, we use estimates and assumptions that may affect reported amounts and disclosures. Estimates are used when accounting for depreciation, leases, asset retirement obligations, contingencies, impairments, accrued liabilities and income taxes, among others. These estimates and assumptions are based on current facts, historical experience and various other factors that we believe to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities and the recording of revenue, costs and expenses that are not readily apparent from other sources. To the extent there are material differences between the estimates and actual results, our future results of operations would be affected.

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