PUNJ LLOYD DELTA RENEWABLES PTE. LTD.
and its subsidiaries

(Incorporated in Singapore)

Reg No: 200808832N

Financial Statements for the year ended
31 March 2015

AKBER ALI & CO.
Public Accountants and
Chartered Accountants
180B Bencoolen Street
#12-05, The Bencoolen
Singapore 189648
Tel: 6392 0021
Fax: 6392 0923
E-mail: akber@singnet.com.sg

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The directors submit the directors' report and the audited financial statements of the Company and consolidated financial statements of the Group for the financial year ended 31 March 2015.

Directors

The directors of the Company in office at the date of this report are:

Alam Tariq Ahmed
Atul Punj
Rakesh Kumar Grover

Arrangements to Enable Directors to Acquire Shares or Debentures

Neither at the end of the financial year nor at any time during that financial year did there subsist any arrangement whose object is to enable the directors of the Company to acquire benefits by means of the acquisiton of shares or debentures of the Company or other body corporate.

Directors' Interest in Shares

According to the register of directors' shareholdings required to be kept under Section 164 of the Companies Act Cap 50, the under mentioned persons who were directors of the Company at the end of the financial year had interests in the shares of the Company and related corporation as detailed below:

	Shareholding registered in the name of Directors		Shareholdings in which Directors are deemed to have interest	
	Balance as at 1 April 2014	Balance as at 31 March 2015	Balance as at 1 April 2014	Balance as at 31 March 2015
The Ultimate holding company - Punj Lloyd Limited				
Ordinary shares of INR 2/-each				
Atul Punj	1,431,360	1,431,360	97,839,775	97,839,775
Rakesh Kumar Grover	2,000	2,000	-	-
The Subsidiary - Punj Lloyd Delta Renewables (Bangladesh) Ltd.				
Ordinary shares of BDT100 each				
Alam Tariq Ahmed	1*	1*	-	-
The Subsidiary - Punj Lloyd Delta Renewables Pvt. Ltd.				
Ordinary shares of Rs10 each				
Alam Tariq Ahmed	1*	1*	-	-

*The shares are held in trust for the Company.

Directors' Contractual Benefits

Since the end of the previous financial year, no director has received or has become entitled to receive a benefit by reason of a contract made by the Company or a related corporation with the director or with a firm of which the director is a member, or with a Company in which the director has a substantial financial interest other than that disclosed in the financial statements.

Share Options

No options to take up unissued shares of the Company or its subsidiaries were granted during the financial year.

There were no shares issued during the financial year by virtue of the exercise of options to take up unissued shares of the Company or its subsidiaries whether granted before or during the financial year.

There were no unissued shares of the Company or its subsidiaries under options as at the end of the financial year.

Independent Auditor

Akber Ali & Co. have expressed their willingness to accept re-appointment.

Signed on Behalf of the Board of Directors

Atul Punj
Director

Rakesh Kumar Grover
Director

Singapore
20 May 2015

In our opinion,

(i) the accompanying statements of financial position, statements of comprehensive income, statements of changes in equity and consolidated statement of cash flows together with notes thereto are drawn up so as to give a true and fair view of the state of affairs of the Company and of the Group as at 31 March 2015 and the results, changes in equity of the Company and of the Group and cash flows of the Group for the financial year then ended, and

(ii) at the date of this statement and with continuing financial support from the ultimate holding company, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

Signed on Behalf of the Board of Directors

Atul Punj
Director

Rakesh Kumar Grover
Director

Singapore
20 May 2015

Independent Auditor's Report to the Members of
PUNJ LLOYD DELTA RENEWABLES PTE. LTD.
Reg No: 200808832N

Report on the Financial Statements

We have audited the accompanying financial statements of PUNJ LLOYD DELTA RENEWABLES PTE. LTD. (the "Company") and its subsidiary companies (the "Group") set out on pages 6 to 28, which comprise the statements of financial position as at 31 March 2015, the statements of comprehensive income and statements of changes in equity of the Group and the Company and the consolidated statement of cash flows of the Group for the financial year then ended, and a summary of significant accounting policies and other explanatory information

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Singapore Companies Act (the "Act") and Singapore Financial Reporting Standards, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair profit and loss accounts and balance sheets and to maintain accountability of assets.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Singapore Standards on Auditing. 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 internal control relevant to the entity's preparation of 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 the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, 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.

Opinion

In our opinion, the consolidated financial statements of the Group and the statement of financial position, statement of comprehensive income and statement of changes in equity of the Company are properly drawn up in accordance with the provisions of the Act and Singapore Financial Reporting Standards so as to give a true and fair view of the state of affairs of the Group and of the Company as at 31 March 2015 and the results and changes in equity of the Group and the Company and the cash flows of the Group for the financial year ended on that date.

Emphasis of Matter

Without qualifying our opinion, we draw attention to Note 2(a) to the financial statements. As at 31 March 2015, the Group and the Company liabilities exceed assets by US$3,160,048 and US$193,687 respectively. These factors raise substantial doubt that the Group and the Company will be able to continue as a going concern. However, the ultimate holding company has indicated their willingness to provide continuing financial support to settle its debts as and when they fall due. The financial statements do not include any adjustments relating to the recoverability and classification of recorded assets amounts or the amounts and classification of liabilities that might be necessary should the Group and the Company be unable to continue as a going concern.

Report on Other Legal and Regulatory Requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company have been properly kept in accordance with the provisions of the Act.

Singapore
20 May 2015

Akber Ali & Co.
Public Accountants and Chartered Accountants

		GROUP		COMPANY	
		2015	**2014**	**2015**	**2014**
	Note	**US$**	**US$**	**US$**	**US$**
Turnover	4	1,057,644	2,157,291	-	-
Other income	5	61,456	688,715	3,600	1,963
Purchases and related expenses	6	(1,500,834)	(2,763,141)	-	-
Staff costs	7	(287,194)	(411,507)	-	(19,793)
Other operating expenses	8	(329,034)	(866,737)	(9,964)	(278,567)
Finance costs	9	(384,221)	(480,169)	-	-
Depreciation	14	(10,005)	(6,131)	-	-
Loss before taxation		(1,392,188)	(1,681,679)	(6,364)	(296,397)
Taxation	10	25,465	(410,952)	-	-
Loss after taxation		(1,366,723)	(2,092,631)	(6,364)	(296,397)
Other comprehensive income:					
Items that may be reclassified subsequently to profit or loss					
Currency translation differences arising from consolidation		33,406	26,800	-	-
Total comprehensive income		(1,333,317)	(2,065,831)	(6,364)	(296,397)
Loss attributable to:					
Equity holder of the Company		**(1,366,723)**	**(2,092,631)**		
Total comprehensive loss attributable to:					
Equity holder of the Company		**(1,333,317)**	**(2,065,831)**		

The annexed notes form an integral part of the audited financial statements.

		GROUP		COMPANY	
	Note	2015 US$	2014 US$	2015 US$	2014 US$
EQUITY					
Share capital	11	408,000	408,000	408,000	408,000
(Accumulated losses)/retained profit		(3,354,017)	(1,987,294)	(601,687)	(595,323)
Currency translation reserve		(214,031)	(247,437)	-	-
		(3,160,048)	**(1,826,731)**	**(193,687)**	**(187,323)**
Represented by:					
Non-current Assets					
Investment in subsidiaries	12	-	-	-	-
Other receivables	13	238,214	134,129	-	-
Plant and equipment	14	4,534	15,935	-	-
		242,748	150,064	-	-
Current Assets					
Cash and bank balances	15	124,166	49,388	-	9,007
Trade receivables	16	4,854,677	6,634,449	-	-
Other receivables, prepayments and deposits	18	78,499	135,757	-	-
		5,057,342	6,819,594	-	9,007
Less: Current Liabilities					
Trade payables	19	5,592,460	5,961,156	1,840	1,840
Amount due to holding company	20	184,097	175,616	184,097	175,616
Amount due to subsidiary	21	-	-	-	9,343
Other payables and accruals	22	55,615	40,875	7,750	9,531
Term loans	23	2,622,362	2,612,981	-	-
		8,454,534	8,790,628	193,687	196,330
NET CURRENT LIABILITIES		(3,397,193)	(1,971,034)	(193,687)	(187,323)
		(3,154,445)	(1,820,970)	(193,687)	(187,323)
Non-current Liabilities					
Term loans	23	-	568	-	-
Provision for gratuity		5,603	5,193	-	-
		(5,603)	(5,761)	-	-
		(3,160,048)	**(1,826,731)**	**(193,687)**	**(187,323)**

The annexed notes form an integral part of the audited financial statements.

	Share Capital US$	Retained Profit/ (Accumulated Losses) US$	Currency Translation Reserve US$	Total US$
GROUP				
Balance at 31 March 2013	**408,000**	**105,337**	**(274,237)**	**239,100**
Total comprehensive income	-	(2,092,631)	26,800	(2,065,831)
Balance at 31 March 2014	**408,000**	**(1,987,294)**	**(247,437)**	**(1,826,731)**
Total comprehensive income	-	(1,366,723)	33,406	(1,333,317)
Balance at 31 March 2015	**408,000**	**(3,354,017)**	**(214,031)**	**(3,160,048)**

	Share Capital US$	Accumulated Losses US$	Total US$
COMPANY			
Balance at 31 March 2013	**408,000**	**(298,926)**	**109,074**
Total comprehensive income	-	(296,397)	(296,397)
Balance at 31 March 2014	**408,000**	**(595,323)**	**(187,323)**
Total comprehensive income	-	(6,364)	(6,364)
Balance at 31 March 2015	**408,000**	**(601,687)**	**(193,687)**

The annexed notes form an integral part of the audited financial statements.

	GROUP	
	2015	**2014**
	US$	**US$**
Cash flows from operating activities		
Loss before taxation	(1,392,188)	(1,681,679)
Adjustments:		
Depreciation of plant and equipment	10,005	6,131
Loss on disposal of plant and equipment	1,731	2,670
Recovery of bad debts	(57,637)	-
Liabilities written back	-	(686,593)
Interest income	(219)	(159)
Interest expense	384,221	480,169
Operating cash flows before working capital changes	(1,054,087)	(1,879,461)
Working capital changes:		
Trade receivables	1,837,410	6,067,968
Other receivables, prepayments and deposits	(103,218)	239,055
Trade payables	(368,695)	(2,179,367)
Provision for gratuity	410	1,138
Other payables and accruals	14,740	(115,042)
Cash generated from operating activities	326,560	2,134,450
Income tax paid	(30,925)	(50,075)
Net cash generated from operating activities	295,635	2,084,216
Cash flows from financing activities		
Amount due to holding company	8,481	133,637
Proceeds from/repayments to) term loans	8,813	(1,866,350)
Interest received	219	159
Interest paid	(384,221)	(480,169)
Net cash used in financing activities	(366,708)	(2,212,723)
Cash flows from investing activities		
Proceeds from disposal of plant and equipment	-	2,519
Purchase of plant and equipment	(196)	(1,383)
Net cash (used in)/generated from investing activities	(196)	1,136
Net decrease in cash and cash equivalents	(71,269)	(127,371)
Cash and cash equivalents at the beginning of the financial year	49,388	20,327
Effect of currency translation in cash and cash equivalents	146,047	156,432
Cash and cash equivalents at the end of the financial year	**124,166**	**49,388**
Comprising of:		
Cash in hand	242	213
Cash at bank	123,924	49,175
	124,166	**49,388**

The annexed notes form an integral part of the audited financial statements.

These notes form an integral part of and should be read in conjunction with the accompanying financial statements:

1. Corporate Information

The Company is a private-limited company, incorporated and domiciled in Singapore.

The registered office of the Company is located at 1, International Business Park, #10-04 The Synergy, Singapore 609917.

The principal activities of the Company are those of investment holding and personal service activities such as developer and EPC contractor for turnkey renewable energy based projects.

There has been no significant change in the nature of these activities during the financial year. The Company did not trade during the financial year. The principal activities of the subsidiary companies are detailed in **Note 12** to the financial statements.

The financial statements of the Company and the consolidated financial statements of the Group for the financial year ended 31 March 2015 were authorised for issue in accordance with a resolution of the directors issued on the date of the directors' report.

Immediate and Ultimate Holding Company

The Company's immediate holding Company is Punj Lloyd Pte. Ltd., a Company incorporated in Singapore and its ultimate holding Company is Punj Lloyd Limited, a Company incorporated in India.

2. Significant Accounting Policies

(a) Basis of Preparation

The financial statements have been prepared in accordance with Singapore Financial Reporting Standards ("FRS") as required by the Companies Act.

As at 31 March 2015, the Group and the Company liabilities exceed assets by US$3,160,048 and US$193,687 respectively. These factors raise substantial doubt that the Group and the Company will be able to continue as a going concern. However, the ultimate holding company has indicated their willingness to provide continuing financial support to settle its debts as and when they fall due. The financial statements do not include any adjustments relating to the recoverability and classification of recorded assets amounts or the amounts and classification of liabilities that might be necessary should the Group and the Company be unable to continue as a going concern.

The financial statements of the Group and the Company are prepared in accordance with historical cost basis except as disclosed in the accounting policies below.

The accounting policies adopted are consistent with those of the previous financial year.

The financial statements are presented in United States dollars ("USD"), which is the Group's and the Company's functional currency. All financial information is presented in United States dollars unless otherwise stated.

New Accounting Standards and Interpretations

The Group and the Company has adopted all the new and revised FRSs and Interpretations of FRS ("INT FRS") that are relevant to its operations which become effective during the financial year. The adoption of these new/revised FRSs and INT FRSs has no material effect on the financial statements.

New Accounting Standards and Interpretations Not Yet Adopted

New FRS, amendments to FRS and interpretations that are not yet effective for the financial years beginning on or after 1 April 2014 have not been applied in preparing these financial statements. None of these are expected to have a significant effect on the financial statements of the Group and the Company upon initial application.

2. Significant Accounting Policies - continued

(b) Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the Company and the revenue can be reliably measured. The following specific recognition criteria must also be met before the revenue is recognised.

Contract revenue

When the outcome of a construction contract can be estimated reliably, contract revenue and costs are recognised as income and expense using the percentage of completion method, measured by reference to the proportion that contract cost incurred for work performed to date bear to the estimated total contract costs. When the outcome of a construction contract cannot be estimated reliably, revenue is recognised only to the extent of contract costs incurred that can probably be recovered and contract costs are recognised as an expense in the year in which they are incurred.

Services rendered

Revenue is recognised when the service is performed.

Sale of goods

Revenue is recognised when the significant risk and rewards of ownership of the goods have passed to the buyer.

A related party is defined as a company, not being a subsidiary or an associated company, in which the director of the Company has an equity interest and or representation in the board as a director, to exercise significant influence over.

(c) Employee Benefits

(i) *Defined Contribution Plan*

The Group participate in the national pension schemes as defined by the law of the countries in which it has operations. In particular, the Singapore companies in the Group contributes to the Central Provident Fund ("CPF"), a defined contribution plan regulated and managed by the Government of Singapore. The Group's and the Company's contributions to CPF are charged to the profit or loss in the financial year to which the contributions relate.

(ii) Employee Leave Entitlement

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for leave as a result of services rendered by employees up to reporting date.

(d) Income Taxes

The tax currently payable is based on taxable financial profit for the financial year. Taxable profit differs from profit as reported in the profit or loss because it excludes items of income or expense that are taxable or deductible in other financial years and it further excludes items that are not taxable or tax deductible.

Deferred income tax is provided, using the liability method, on all temporary differences at the statement of financial position date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred tax assets and liabilities are measured using tax rates expected to apply to taxable income in the financial years in which those temporary differences are expected to be recovered or settled based on tax rates enacted or substantively enacted at the reporting date.

At each reprting date, the Group and the Company re-assesses unrecognised deferred tax assets and the carrying amount of deferred tax assets. The Group and the Company recognises a previously unrecognised deferred tax asset to the extent that it is has become probable that future taxable profit will allow the deferred tax asset to be recovered.

2. Significant Accounting Policies - continued

(d) Income Taxes - continued

The Group and the Company conversely reduces the carrying amount of a deferred tax asset to the extent that it is no longer probable that sufficient taxable profit will be available to allow the benefit of part or the entire deferred tax asset to be utilised.

Deferred tax assets are recognised for all deductible temporary differences and carry-forward of unabsorbed capital allowances and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and carry-forward of unused tax losses can be utilised.

(e) Share Capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of new ordinary shares are deducted against the share capital account.

(f) Group accounting

- Subsidiaries

Subsidiaries are entities over which the Group has power to govern the financial and operating policies, generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity.

The purchase method of accounting is used to account for the acquisition of subsidiaries by the Group. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued or liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values on the date of acquisition, irrespective of the extent of any non-controlling interests.

Subsidiaries are consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date on which control ceases.

In preparing the consolidated financial statements, transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated but considered an impairment indicator of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Please refer to **Note 2(g)** for the accounting policy on investment in subsidiaries in the separate financial statements of the Company.

(g) Investment in subsidiaries

Investment in subsidiaries is stated at cost less accumulated impairment losses in the Company's statement of financial position. On disposal of investments in subsidiaries, the differences between net disposal proceeds and the carrying amount of the investment is taken to the profit or loss.

(h) Plant and Equipment

Plant and equipment are stated at cost less accumulated depreciation and impairment losses. Depreciation is calculated on the straight line method so as to write off the cost of the plant and equipment over their estimated useful lives. The estimated useful lives are as follows:

	Years
Furniture and fixtures	10
Office equipment	5
Motor vehicles	5

2. Significant Accounting Policies - continued

(h) Plant and Equipment - continued

The residual values, if any, and useful lives of plant and equipment are reviewed and adjusted as appropriate at the each reporting date. The useful lives and depreciation method are reviewed at each financial year-end to ensure that the method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefit embodied in the items of plant and equipment.

Fully depreciated plant and equipment are retained in the financial statements until they are no longer in use.

The cost of plant and equipment comprises its purchase price and any directly attributable costs of bringing the plant and equipment to working condition for its intended use. Dismantlement, removal or restoration costs are included as part of the cost of plant and equipment if the obligation for the dismantlement, removal or restoration is incurred as a consequence of acquiring or using the asset. Cost may also include transfers from equity of any gains/ losses on qualifying cash flow hedges of foreign currency purchases of plant and equipment, if any. When plant and equipment are sold or retired, their cost and accumulated depreciation are removed from the financial statements and any gain or loss resulting from their disposal is included in profit or loss.

(i) Impairment of Non-Financial Assets

The carrying amounts of the Group's and the Company's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated.

An impairment loss is recognised in profit or loss if the carrying amount of an asset or its cash-generating unit exceeds it recoverable amount. A cash-generating unit is the smallest identifiable asset group that generates cash flows that largely are independent from other assets and groups.

The recoverable amount of an asset or cash-generating unit is the higher of its fair value less costs to sell and its value in use. In assessing the value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or cash-generating unit.

Impairment losses recognised in prior years are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation, if no impairment loss has been recognised. Reversal of impairment loss is recorded in profit or loss. After such a reversal, the depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

(j) Financial Assets

Financial assets, other than hedging instruments, if any, can be divided into the following categories: financial assets at fair value through profit or loss, held-to-maturity investments, loan and receivables and available-for-sale financial assets. Financial assets are assigned to the different categories by management on initial recognition, depending on the purpose for which the investments were acquired.

The designation of financial assets is re-evaluated and classification may be changed at the reporting date with the exception that the designation of the financial assets at fair value through profit or loss is not revocable.

All financial assets are recognised on their trade date – the date on which the Group and the Company commit to purchase or sell the asset. All financial assets that are not classified as fair value through profit or loss are initially recognised at fair value, plus transaction costs.

2. Significant Accounting Policies - continued

(j) Financial Assets - continued

De-recognition of financial instruments occurs when the rights to receive cash flows from the investments expire or are transferred and substantially all of the risks and rewards of ownership have been transferred. An assessment for impairment is undertaken at least at each reporting date to determine whether or not there is objective evidence that a financial asset or a group of financial assets is impaired.

Loans and Receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise when the Group and the Company provides money, goods or services directly to a debtor with no intention of trading the receivables. They are included in current assets, except for those with maturities greater than 12 months after the reporting date, which are then classified as non-current assets.

Loans and receivables are subsequently measured at amortised cost using the effective interest method, less provision for impairment.

Any change in their value is recognised in profit or loss. Any reversal shall not result in a carrying amount that exceeds what the amortised cost would have been had any impairment loss not been recognised at the date of the impairment is reversed. Any reversal is recognised in profit or loss.

Receivables are provided against when there is objective evidence that the Group and the Company will not be able to collect all amounts due to it in accordance with the original terms of the receivables. The amount of provision for impairment is determined as the difference between the asset's carrying amount and the present value of estimated future cash flows.

(k) Impairment of Financial Assets

A financial asset is assessed at each reporting date to determine whether there is any objective evidence that it is impaired. A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset.

Financial assets carried at amortised cost

If there is objective evidence that an impairment loss on financial assets carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account. The impairment loss is recognised in profit or loss.

When the asset becomes uncollectible, the carrying amount of impaired financial assets is reduced directly or if an amount was charged to the allowance account, the amounts charged to the allowance account are written off against the carrying value of the financial asset. To determine whether there is objective evidence that an impairment loss on financial assets has been incurred, the Group and the Company considers factors such as the probability of insolvency or significant financial difficulties of the receivable and default or significant delay in payments.

If in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed to the extent that the carrying amount of the asset does not exceed its amortised cost at the reversal date. The amount of reversal is recognised in profit or loss.

Financial assets carried at cost

If there is objective evidence (such as significant adverse changes in the business environment where the issuer operates, probability of insolvency or significant financial difficulties of the issuer) that an impairment loss on financial assets carried at cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment losses are not reversed in subsequent periods.

2. Significant Accounting Policies - continued

(l) Cash and Cash Equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents include cash in hand and bank balances with financial institutions which subject to an insignificant risk of change in value.

(m) Contract Work-in-Progress

Contract work-in-progress comprises contracts specifically negotiated for the construction of an asset or a combination of assets that are closely interrelated or interdependent in terms of their design, technology and functions or their ultimate purpose or use.

When the outcome of a contract cannot be estimated reliably, contract revenue is recognised to the extent of contract cost incurred where it is probable those cost will be recoverable. Contract costs are recognised when incurred. When the outcome of a contract can be estimated reliably, contract revenue and contract cost are recognised by using the stage of completion method. The stage of completion is measured by the reference to the proportion of contract work performed and certified by the quantity surveyors, where applicable, to the estimated total costs of contract. When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.

Costs incurred during the financial year in connection with future activity on a contract are excluded from costs incurred to date when determining the stage of completion of a contract. Such costs are shown as contract work-in-progress. The aggregate of the costs incurred and the profit/loss recognised on each contract is compared against the progress billings up to the financial year end. Where costs incurred and recognised profits (less recognised loss) exceed progress billings, the balance is shown as due to from customers on contracts, under trade and non-trade receivables. When progress billings exceed costs incurred plus recognised profits (less recognised losses), the balance is shown as due to customers on contracts, under trade and non-trade payables.

(n) Financial Liabilities

Financial liabilities are recognised when the Group and the Company becomes a party to the contractual agreements of the instrument. All interest related charges is recognised as an expense in "finance costs" in profit or loss. Borrowings are recognised initially at fair value of proceeds received less attributable transaction costs, if any.

Borrowings are subsequently stated at amortised cost which is the initial fair value less any principal repayments. Any difference between the proceeds (net of transaction costs) and the redemption value is taken to profit or loss over the period of borrowings using effective interest method. Borrowings which are due to be settled within twelve months after the reporting date are in current borrowings in the statement of financial position even though the original terms were for a period longer than twelve months and an agreement to refinance, or to reschedule payments, on a long-term basis is completed after the reporting date. Borrowings to be settled within the Group's and the Company's normal operating cycle are considered as current. Other borrowings due to be settled more than twelve months after the reporting date are included in the non-current borrowings in the statement of financial position.

Trade and other payables are initially measured at fair value, and subsequently measured at amortised cost, using the effective interest method. A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a de-recognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

2. Significant Accounting Policies - continued

(o) Leases

When the Company is the lessee:

(i) Operating leases

Leases where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are taken to profit or loss on a straight-line basis over the period of the lease.

When an operating lease is terminated before the lease period has expired, any payment required to be made to the lessor by way of penalty is recognised as an expense in the financial year in which termination takes place.

(p) Provisions

Provisions are recognised when the Group and the Company has a present obligation (legal or constructive) as a result of a past event, and it is probable that the Group and the Company will be required to settle that obligation. Provisions are measured at the management's best estimate of the expenditure required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

(q) Functional Currency and Foreign Currency Transactions

Functional Currency

Items included in the financial statements in the Group and the Company are measured using the currency that best reflects the economic substance of the underlying events and circumstances relevant to that entity ("the functional currency"). The financial statements of the Group and the Company are presented in United States Dollars ("USD"), which is the functional currency.

Foreign Currency Transactions

Transactions in foreign currencies are measured in USD and recorded at exchange rates approximating those ruling at transaction dates. Foreign currency monetary assets and liabilities are measured using the exchange rates ruling at statement of financial position date. Non-monetary assets and liabilities are measured using the exchange rates ruling at the transaction dates. All resultant exchange differences are recognised in the profit or loss.

(r) Related Party

Related parties are entities with common direct or indirect shareholders and/or directors. Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions.

Key Management Personnel

Key management personnel are those persons having the authority and responsibility for planning, directing and controlling the activities of the entity. Directors are considered key management personnel.

3. Critical Accounting Estimates, Assumptions and Judgments

In the application of the Group's and the Company's accounting policies which are described in Note 2, management is required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual result may differ from these estimates.

3. Critical Accounting Estimates, Assumptions and Judgments - continued

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the financial year in which the estimate is revised if the revision affects only that financial year or in the financial year of the revision and future financial years if the revision affects both current and future financial years.

Critical Judgments in Applying the Group's and the Company's Accounting Policies

Management is of the opinion that there are no critical judgments involved that have a significant effect on the amounts recognised in the financial statements.

Key Sources of Estimating Uncertainty

Management is of the opinion that there are no key assumptions made concerning the future and other key sources of estimating uncertainty at the statement of financial position date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

4. Turnover

	GROUP		COMPANY	
	2015 US$	2014 US$	2015 US$	2014 US$
Sales of goods	657,107	-	-	-
Rendering services	400,537	2,157,291	-	-
	1,057,644	2,157,291	-	-

5. Other Income

	GROUP		COMPANY	
	2015 US$	2014 US$	2015 US$	2014 US$
Interest income	219	159	-	-
Foreign exchange gains	3,600	1,963	3,600	1,963
Recovery of bad debts	57,637	-	-	-
Liabilities written back	-	686,593	-	-
	61,456	688,715	3,600	1,963

6. Purchases and Related Expenses

	GROUP		COMPANY	
	2015 US$	2014 US$	2015 US$	2014 US$
Contractor charges	118,463	242,824	-	-
Raw materials and consumables used	980,175	2,188,942	-	-
Site expenses	390,233	294,436	-	-
Freight expenses	11,963	36,939	-	-
	1,500,834	2,763,141	-	-

7. Staff Costs

	GROUP		COMPANY	
	2015 US$	2014 US$	2015 US$	2014 US$
Salary and other short term benefits	269,983	390,110	-	19,793
Annual leave expense	2,021	3,336	-	-
Staff CPF and SDF	13,906	18,061	-	-
Staff welfare	1,284	-	-	-
	287,194	411,507	-	19,793

8. Other Operating Expenses

	GROUP 2015 US$	GROUP 2014 US$	COMPANY 2015 US$	COMPANY 2014 US$
Rent	104,572	98,344	-	-
Professional expenses	145,053	146,233	9,648	13,749
Bank charges	21,124	95,905	316	32
Foreign exchange losses	3,848	2,228	-	-
Travelling expenses	26,488	84,182	-	-
Provision for impairment of trade receivables	-	281,639	-	-
Loss on disposal of plant and equipment	1,731	2,670	-	-
Provision for bad debts on other receivables	-	4,230	-	4,230
Impairment loss on investment in subsidiary	-	-	-	259,556
Others	26,218	151,306	-	1,000
	329,034	866,737	9,964	278,567

9. Finance Cost

	GROUP 2015 US$	GROUP 2014 US$
Term loan interest	384,221	480,169

10. Taxation

	GROUP 2015 US$	GROUP 2014 US$	COMPANY 2015 US$	COMPANY 2014 US$
Current taxation: on result for the financial year	-	-	-	-
Over provision of tax in prior financial years	(25,465)	(76,591)	-	-
Deferred tax	-	487,543	-	-
	(25,465)	410,952	-	-

Reconciliation between the current tax expense and the product of accounting loss multiplied by the applicable tax rate for the financial years ended were as follows:

	GROUP 2015 US$	GROUP 2014 US$	COMPANY 2015 US$	COMPANY 2014 US$
Loss before taxation	(1,392,179)	(1,681,679)	(6,364)	(296,397)
Tax at corporate tax rate of 17% (2014: 17%)	(236,670)	(285,885)	(1,082)	(50,387)
Tax effect of different tax rates in other countries	233,593	264,078	-	-
Over provision of tax in prior financial years	(25,465)	(76,591)	-	-
Tax effect on non-deductible items for tax purpose	3,077	52,717	1,082	50,387
Deferred tax asset	-	487,543	-	-
Deferred tax asset not recognised	-	(30,910)	-	-
Tax expense	(25,465)	410,952	-	-

As at statement of financial position date, the Company has estimated realisation losses and capital allowances amounting to approximately US$182,259 (2014: US$181,823) available for offsetting against future taxable income subject to provisions of the Income Tax Act.

Tax benefit arising from the realisation losses and capital allowances for the Company amounting to approximately US$30,984 (2014: US$30,910), have not been realised in the financial statements as the realisation of the benefit depends on future profitability and provisions of the Income Tax Act.

11. Share Capital

	GROUP AND COMPANY 2015	2014
Number of ordinary shares	204	204
Issued and fully paid	US$408,000	US$408,000

All issued ordinary shares have no par value. The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Group and the Company. All shares rank equally with regard to the Group's and the Company's residual asset.

12. Investment in Subsidiaries

	COMPANY 2015 US$	2014 US$
Unquoted shares, at cost	263,968	263,968
Less: Provision for impairment of investment in subsidiary:		
Balance at the beginning of the financial year	263,968	4,412
Charge for the financial year	-	259,556
Balance at the end of the financial year	(263,968)	(263,968)
	-	-

Details of subsidiaries are as follows:

Name of subsidiaries/ country of incorporation	Principal activities	Cost of investment 2015 US$	2014 US$	% of paid-up capital held by the Company 2015 %	2014 %
PUNJ LLOYD DELTA RENEWABLES PRIVATE LIMITED - India *Audited by TAS Associates., Chartered Accountants, India	Solar application solution provider for solar photovoltaics systems, solar hot water and solar street lighting in India	259,556	259,556	100	100
PUNJ LLOYD DELTA RENEWABLES (BANGLADESH) LTD. - Bangladesh *Management account –unaudited	Solar application solution provider for solar photovoltaics systems, solar hot water and solar street lighting in Bangladesh	4,412	4,412	100	100
		263,968	263,968		

13. Other Receivables - Non-Current

	GROUP 2015 US$	2014 US$
Advance income tax	134,325	77,935
VAT/sales tax recoverable	101,191	53,647
Deposits	2,698	2,547
	238,214	134,129

Other receivables (non-trade) matures for more than twelve months.

As at statement of financial position date, the other receivables - non-current are denominated in the following currencies:

	GROUP 2015 US$	2014 US$
Indian Rupees	238,214	134,129

14. Plant and Equipment

GROUP	Motor Vehicles US$	Office Equipment US$	Furniture and Fixtures US$	Total US$
Cost				
Balance as at 31.3.2013	38,420	15,609	12,911	66,940
Additions	-	-	1,383	1,383
Disposals	-	(3,444)	(8,858)	(12,302)
Currency translation reserve	(4,791)	(1,732)	(1,143)	(7,666)
Balance as at 31.3.2014	33,629	10,433	4,293	48,355
Additions	-	-	196	196
Disposals	-	(3,312)	-	(3,312)
Currency translation reserve	(812)	(169)	(113)	(1,094)
Balance as at 31.3.2015	32,817	6,952	4,376	44,145
Accumulated Depreciation				
Balance as at 31.3.2013	22,815	7,729	7,558	38,102
Charge for the year	3,690	1,711	730	6,131
Disposals	-	(1,985)	(5,128)	(7,113)
Currency translation reserve	(2,999)	(1,043)	(658)	(4,700)
Balance as at 31.3.2014	23,506	6,412	2,502	32,420
Charge for the year	6,826	753	446	8,025
Disposals	-	(1,581)	-	(1,581)
Other adjustments - due to change in method of depreciation (charged to depreciation of plant and equipment)	3,561	17	(1,598)	1,980
Currency translation reserve	(1,076)	(153)	(4)	(1,233)
Balance as at 31.3.2015	32,817	5,448	1,346	39,611
Net Carrying Value				
Balance as at 31.3.2015	-	1,504	3,030	4,534
Balance as at 31.3.2014	10,123	4,021	1,791	15,935

15. Cash and Bank Balances

As at statement of financial position date, the cash and bank balances are denominated in the following currencies:

	GROUP		COMPANY	
	2015 US$	2014 US$	2015 US$	2014 US$
Bangladeshi Taka	13	13	-	-
Indian Rupees	124,153	40,368	-	-
Singapore Dollars	-	1,490	-	1,490
United States Dollars	-	7,517	-	7,517
	124,166	49,388	-	9,007

16. Trade Receivables

	GROUP	
	2015 US$	2014 US$
Trade receivables	1,826,942	1,505,526
Construction Contracts **(Note 17)**	3,309,374	5,410,562
	5,136,316	6,916,088
Less: Provision for impairment of trade receivables		
Balance at the beginning of the financial year	281,639	-
Current year financial charges	-	281,639
Balance at the end of the financial year	(281,639)	(281,639)
	4,854,677	6,634,449

16. Trade Receivables - continued

The average credit period on services rendered is between 0 to 60 days (2014: 0 to 60 days). No interest is charged on trade receivables.

	GROUP	
	2015	**2014**
	US$	**US$**
Third parties	3,426,363	5,477,597
Ultimate holding company	1,428,314	1,156,852
	4,854,677	6,634,449

As reporting date, the trade receivables are denominated in the following currencies:

	GROUP	
	2015	**2014**
	US$	**US$**
Indian Rupees	4,854,677	6,634,449

17. Construction Contracts

	GROUP	
	2015	**2014**
	US$	**US$**
Contracts in progress at the end of the reporting date:		
Amount due from contract customers in trade receivables **(Note 16)**	3,309,374	5,410,562
	3,309,374	5,410,562
Contract cost incurred plus recognised profits	30,398,403	26,975,767
Less: Progress billings	(27,089,029)	(21,565,205)
	3,309,374	5,410,562

18. Other Receivables, Prepayments and Deposits

	GROUP	
	2015	**2014**
	US$	**US$**
Other receivables	66,335	42,659
Prepayments	5,711	83,702
Deposits	6,453	9,396
	78,499	135,757

As reporting date, the other receivables, prepayments and deposits are denominated in the following currencies:

	GROUP	
	2015	**2014**
	US$	**US$**
Indian Rupees	78,499	135,757

19. Trade Payables

	GROUP		COMPANY	
	2015	**2014**	**2015**	**2014**
	US$	**US$**	**US$**	**US$**
Third parties	3,604,660	4,103,529	1,840	1,840
Ultimate holding company	1,222,080	1,072,945	-	-
Related parties	765,720	784,682	-	-
	5,592,460	5,961,156	1,840	1,840

19. Trade Payables - continued

As reporting date, the trade payables are denominated in the following currencies:

	GROUP		COMPANY	
	2015	2014	2015	2014
	US$	US$	US$	US$
Indian Rupees	5,590,620	5,955,551	-	-
United States Dollars	1,840	1,840	1,840	1,840
Bangladesh Taka	-	3,765	-	-
	5,592,460	5,961,156	1,840	1,840

The credit period for trade payable is between 0 to 60 days (2014: 0 to 60 days) No interest is charged on trade payable.

20. Amount Due to Holding Company

As reporting date, the amount due to holding company is denominated in the following currencies:

	GROUP		COMPANY	
	2015	2014	2015	2014
	US$	US$	US$	US$
Singapore Dollars	53,782	37,885	53,782	37,885
United States Dollars	130,315	137,731	130,315	137,731
	184,097	175,616	184,097	175,616

Amount due to holding company is non-trade in nature, unsecured, interest-free and repayable upon demand.

21. Amount Due to Subsidiary

As reporting date, the amount due to subsidiary is denominated in the following currencies:

	COMPANY	
	2015	2014
	US$	US$
Indian Rupees	-	9,343

Amount due to subsidiary is non-trade in nature, unsecured, interest-free and repayable upon demand.

22. Other Payables and Accruals

	GROUP		COMPANY	
	2015	2014	2015	2014
	US$	US$	US$	US$
Other payables	47,865	31,344	-	-
Accruals	7,750	9,531	7,750	9,531
	55,615	40,875	7,750	9,531

As reporting date, the other payables and accruals are denominated in the following currencies:

	GROUP		COMPANY	
	2015	2014	2015	2014
	US$	US$	US$	US$
Bangladeshi Taka	3,755	-	-	-
Indian Rupees	44,110	31,344	-	-
Singapore Dollars	7,750	9,531	7,750	9,531
	55,615	40,875	7,750	9,531

23. Term Loans

	Note	GROUP 2015 US$	GROUP 2014 US$
Term Loan 1 - secured	a	2,621,793	2,606,456
Term Loan 2 - secured	b	569	7,093
		2,622,362	2,613,549
Analysed As:			
Payable within 1 year		2,622,362	2,612,981
Payable within 2-5 years		-	568
		2,622,362	2,613,549

(a) Term Loan 1 - Secured

The term loan was obtained for cash credit. The loan is repayable upon demand. The average interest rate exposure to the Group for the facilities is 16.75% (2014: 13.75%) per annum. The loan is secured by first parri passu charge on the current assets and charge on the title of goods procured under letter of credit and exclusive charge on fixed assets (movable and immovable) of the Group (both present nad future), excluding car/vehicle finance. The loan is guarantee by the corporate guarantee of Punj Lloyd Limited.

(b) Term Loan 2 – Secured

The term loan was obtained for working capital requirements. The loan is repayable in 60 monthly installment of US$558 (2014: US$653) each including interest thereon. The average interest rate exposure to the Group for the facilities is 8.25% (2014: 8.25%). The loan is secured by first and exclusive charge by way of hypothecation of vehicle. Further, the loan has been guaranteed by the corporate guarantee of Punj Lloyd Limited.

As reporting date, the term loans are denominated in the following currencies:

	GROUP 2015 US$	GROUP 2014 US$
Indian Rupees	2,622,362	2,613,549

24. Related Party Transactions

In addition to the related party information disclosed elsewhere in the financial statements, the following are related parties transactions during the financial year at terms and rates agreed between the parties:

Related party transactions with company in which there are common directors who has control and substantial financial interest:	GROUP 2015 US$	GROUP 2014 US$	COMPANY 2015 US$	COMPANY 2014 US$
Ultimate holding company				
Contract revenue received	2,135,089	1,854,690	-	-
Operating lease paid	55,863	56,465	-	-
Other expenses	5,352	-	-	-
Professional fees paid	74,448	109,996	-	-
Corporate guarantee charges	41,396	70,158	-	-
Interest	-	17,341	-	-

Fellow subsidiary company	GROUP 2015 US$	GROUP 2014 US$	COMPANY 2015 US$	COMPANY 2014 US$
Rendering services	6,830	-	-	-
Purchases	-	769,103	-	-

24. Related Party Transactions - continued

	GROUP 2015 US$	GROUP 2014 US$	COMPANY 2015 US$	COMPANY 2014 US$
Holding company				
Sales of goods	657,107	-	-	-
Key management remuneration				
Salary and other short term benefits	-	51,590	-	19,793

25. Operating Lease

The Group has taken warehouse and office premises under operating leases. These leases are generally for a period of one year and renewable at the mutual consent of the both lessor and lessee. There are no escalation clauses and restrictions imposed in the lease agreements. Lease payments charged to the profit or loss of the Group during the financial year amounted to US$44,543 (2014: US$98,344).

26. Financial Risk Management

The main risks arising from the Group's and the Company's financial instruments are as follows:

(a) Liquidity risk

Liquidity risk arises in the general funding of the Group and of the Company's business activities. It includes the risks of not being able to fund the business activities at settlement dates and liquidate assets in a timely manner at a reasonable price. The Group and the Company manages its liquidity risk by placing its cash and cash equivalents with reputable banks and financing its business activities through the use of funds from the shareholders.

As at 31 March 2015, the Group and the Company liabilities exceed assets by US$3,160,048 and US$193,687 respectively. These factors raise substantial doubt that the Group and the Company will be able to continue as a going concern. However, the ultimate holding company has indicated their willingness to provide continuing financial support to settle its debts as and when they fall due. The financial statements do not include any adjustments relating to the recoverability and classification of recorded assets amounts or the amounts and classification of liabilities that might be necessary should the Group and the Company be unable to continue as a going concern.

The table below analyses the maturity profile of the Group and of the Company's financial liabilities based on contractual undiscounted cash flows.

	2015	2014	2015	2014
	GROUP		COMPANY	
	On demand or within 1 year US$		On demand or within 1 year US$	
Trade payables	5,592,460	5,961,156	1,840	1,840
Amount due to holding company	184,097	175,616	184,097	175,616
Amount due to subsidiary	-	-	-	9,343
Other payables and accruals	55,615	40,875	7,750	9,531
Term loans	2,622,362	2,612,981	-	-

	2015	2014	2015	2014
	GROUP		COMPANY	
	Within 2 to 5 years US$		Within 2 to 5 years US$	
Term loans	-	568	-	-

26. Financial Risk Management - continued

(b) Credit risk

The Group and the Company adopts the policy of dealing only with customers of appropriate credit history, and obtaining sufficient security where appropriate to mitigate credit risk. For other financial assets, the Group and the Company adopts the policy of dealing with financial institutions and other counterparties with high credit ratings.

Customers' payment profile and credit exposure are continuously monitored by the management.

The maximum exposure to credit risk for each class of financial assets is the carrying amount of that class of financial instruments presented on the statement of financial position The Group's and the Company's major classes of financial assets are bank deposits and trade receivables and other receivables.

(i) Financial assets that are neither past due nor impaired

Bank deposits that are neither past due nor impaired are mainly deposits with banks which have high credit-ratings as determined by international credit-rating agencies. Trade receivables that are neither past due nor impaired are substantially companies with good collection track records with the Group and the Company.

(ii)Financial assets that are past due and/or impaired

There is no other class of financial assets that is past due and/or impaired except for trade receivables.

Credit risk refers to the risk that a counter party will default on its contractual obligations resulting in a loss to the Group and the Company.

The age analysis of trade receivables past due are as follows:

	GROUP	
	2015	**2014**
Past due and impaired:	**US$**	**US$**
- Past due by 0 to 6 months	4,854,677	6,228,532
- Past due by more than 6 months	269,314	687,556
- Past due and impaired more than 6 months	(269,314)	(281,639)
	4,854,677	6,634,449

(c) Market risk

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Group's and the Company's financial instruments will fluctuate because of changes in market interest rates. The Group's and the Company's exposure to interest rate risk arises primarily from their bank borrowings. The Group and the Company does not hedge its investment in fixed rate debt securities as they have active secondary or resale markets to ensure liquidity. It is the Group and the Company's policy to obtain the most favourable interest rate available whenever the Group and the Company obtains additional financing through bank borrowings.

Sensitivity analysis for interest rate risk
At the end of the reporting period, if USD interest rates had been 50 (2014: 50) basis points lower/higher with all other variables held constant, the Group's profit before tax would have been US$13,112 (2014: US$13,068) higher/lower, arising mainly as a result of lower/higher interest expense on floating rate bank borrowings. The assumed movement in basis points for interest rate sensitivity analysis is based on the currently observable market environment, showing a significantly higher volatility as in prior financial years.

Price risk

The Group and the Company has insignificant exposure to equity price risk as it does not hold any equity financial assets.

26. Financial Risk Management - continued

(c) Market risk - continued

Foreign currency risk

Foreign currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. The Group and the Company has no significant exposure to foreign exchange risk as a result of transactions denominated in foreign currencies, arising from normal trading and investment activities. The Group and the Company does not use derivative financial instruments such as foreign currency forward exchange contracts and currency options.

The Group's and the Company's currency exposure based on the information provided to key management were as follows:

	GROUP 2015	**COMPANY 2015**
	INR	**INR**
Financial assets	**US$**	**US$**
Cash and bank balances	124,153	-
Trade receivables	4,854,677	-
Other receivables and deposits (**Note 18**)	72,788	-
	5,051,618	-
Financial liabilities		
Trade payables	5,590,620	-
Other payables and accruals	44,110	-
Term loans	2,622,362	-
	(8,257,092)	-
Currency exposure	(3,205,474)	-

	GROUP 2014	**COMPANY 2014**
	INR	**INR**
Financial assets	**US$**	**US$**
Cash and bank balances	40,368	-
Trade receivables	6,634,449	-
Other receivables and deposits (**Note 18**)	52,055	-
	6,726,872	-
Financial liabilities		
Trade payables	5,955,550	-
Other payables and accruals	31,344	-
Amount due to subsidiary	-	9,343
Term loans	2,613,549	-
	(8,600,443)	(9,343)
Currency exposure	(1,873,571)	(9,343)

If the following currencies strengthens/weakens by 5% against the United States Dollars with all other variables held constant the Group's and the Company's profit after tax for the financial year ended 31 March would increase/(decrease) as following:

	GROUP		**COMPANY**	
	2015	**2014**	**2015**	**2014**
	US$	**US$**	**US$**	**US$**
Indian Rupee (INR)	(133,027)	(77,753)	-	(388)

5% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the possible change in foreign exchange rates.

27. Financial Instruments

(a) Fair Values

The carrying amount of the financial assets and financial liabilities approximate their fair values. The Group and the Company does not anticipate that the carrying amounts recorded at statement of financial position date would be significantly different from the values that would eventually be received or settled.

(b) Classification of Financial Instruments

The following tables set out the classification of financial instruments at the end of the reporting financial years:

Group 2015 **Financial Assets**	**Loans and receivables US$**	**Liabilities at amortised cost US$**
Cash and bank balances	124,166	-
Trade receivables	4,854,677	-
Other receivables and deposits (**Note 18**)	72,788	-
	5,051,631	-

Financial Liabilities	**Loans and receivables US$**	**Liabilities at amortised cost US$**
Trade payables	-	5,592,460
Other payables and accruals	-	55,615
Amount due to holding company	-	184,097
Term loans	-	2,622,362
	-	8,454,534

2014 **Financial Assets**	**Loans and receivables US$**	**Liabilities at amortised cost US$**
Cash and bank balances	49,388	-
Trade receivables	6,634,449	-
Other receivables and deposits (**Note 18**)	52,055	-
	6,735,892	-

Financial Liabilities	**Loans and receivables US$**	**Liabilities at amortised cost US$**
Trade payables	-	5,961,156
Other payables and accruals	-	40,875
Amount due to holding company	-	175,616
Term loans	-	2,613,549
	-	8,791,196

Company 2015	**Loans and receivables US$**	**Liabilities at amortised cost US$**
Financial Asset	-	-

Financial Liabilities	**Loans and receivables US$**	**Liabilities at amortised cost US$**
Trade payables	-	1,840
Other payables and accruals	-	7,750
Amount due to holding company	-	184,097
	-	193,687

27. Financial Instruments - continued

(b) Classification of Financial Instruments - continued

Company - continued 2014	Loans and receivables US$	Liabilities at amortised cost US$
Financial Asset		
Cash and bank balances	9,007	-

Financial Liabilities	Loans and receivables US$	Liabilities at amortised cost US$
Trade payables	-	1,840
Other payables and accruals	-	9,531
Amount due to holding company	-	175,616
Amount due to subsidiary	-	9,343
	-	196,330

28. Capital Risk Management

The Group's and the Company's objectives when managing capital are to safeguard the Group and the Company's ability to continue as a going concern and to maintain an optimal capital structure so as to maximise shareholder value. In order to maintain or achieve an optimal capital structure, the Group and the Company may adjust the amount of dividend payment, issue new shares, buy back issued shares, obtain new borrowings or sell assets to reduce borrowings.

The Group and the Company is not subject to externally imposed capital requirements. The management monitors capital based on a gearing ratio. There has been no change in the objectives, policies and processes since last financial year.

The gearing ratio is calculated as net debt divided by total capital. Net debt is calculated as borrowings plus trade and other payables less cash and bank balances. Total capital is calculated as summation of total equity plus net debt.

	GROUP		COMPANY	
	2015 US$	2014 US$	2015 US$	2014 US$
Debt	8,454,534	8,791,196	193,687	196,330
Less: Cash and bank balances	(124,166)	(49,388)	-	(9,007)
Net debt	8,330,368	8,741,808	193,687	187,323
Total equity	(3,160,048)	(1,826,731)	(193,687)	(187,323)
Total capital	5,170,320	6,915,077	-	-
Gearing ratio	**161.12%**	**126.42%**	**-**	**-**

	2015 US$	2014 US$
Turnover	-	-
Other income		
Foreign exchange gains	3,600	1,963
Staff costs		
Salaries and other short term benefits	-	(19,793)
Other operating expenses		
Bank charges	316	32
Bad debts written off for other receivables	-	4,230
Impairment loss on investment in subsidiary	-	259,556
Miscellaneous expenses	-	320
Penalties	-	680
Professional fees	9,648	13,749
	(9,964)	(278,567)
Loss before taxation	(6,364)	(296,397)

The above statement does not form part of the audited financial statements.