

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF PUNJ LLOYD SOLAR POWER LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of **Punj Lloyd Solar Power Limited** (“the Company”), which comprise the Balance Sheet as at 31st March, 2015, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the 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. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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, 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. While conducting the 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 the 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 financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls

system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

Opinion

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, and its loss and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by 'the Companies (Auditor's Report) Order, 2015', issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act (hereinafter referred to as the "Order"), and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order.
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 the written representations received from the directors as on 31st March, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 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 has not required to made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

FOR G.S. MATHUR & CO.
Chartered Accountants
Firm Registration Number: 8744N.

K.K.Gangopadhyay.
Partner
Membership No. 013442.

Place: Gurgaon
Date: May 08, 2015

Annexure to Independent Auditors' Report

Referred to in paragraph 1 of the Independent Auditors' Report of even date to the members of **Punj Lloyd Solar Power Limited** on the financial statements as of and for the year ended March 31, 2015

- i. (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.
 - b) The Fixed assets have been physically verified by the management during the year, which in our opinion is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- ii. The Company does not hold any inventory. Therefore, the provisions of Clause 3(ii) of the said Order are not applicable to the Company.
- iii. 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. Therefore, the provisions of Clause 3(iii), (iii)(a) and (iii)(b) of the said Order are not applicable to the Company.
- iv. In our opinion, and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of fixed assets and for the sale of services. Further, on the basis of our examination of the books and records of the Company, and according to the information and explanations given to us, we have neither come across, nor have been informed of, any continuing failure to correct major weaknesses in the aforesaid internal control system.
- v. The Company has not accepted any deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the rules framed there under to the extent notified.
- vi. The Central Government of India has not specified the maintenance of cost records under sub-section (1) of Section 148 of the Act for any of the products of the Company.
- vii. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is regular in depositing the undisputed statutory dues, including income tax, service tax, duty of customs, value added tax, cess and other material statutory dues, as applicable, with the appropriate authorities.
 - (b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of income-tax, service-tax, duty of customs, and or value added tax or cess which have not been deposited on account of any dispute.
 - c) There are no amounts required to be transferred by the Company to the Investor Education and Protection Fund in accordance with the provisions of the Companies Act, 2013 and the rules made thereunder.
- viii. As the Company is registered for a period less than five years, the provisions of Clause 3(viii) of the Order are not applicable to the Company.
- ix. According to the records of the Company examined by us and the information and explanation given to us, the Company has not defaulted in repayment of dues to any financial institution or bank as at the balance sheet date.

- x. In our opinion, and 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 during the year. Accordingly, the provisions of Clause 3(x) of the Order are not applicable to the Company.
- xi. In our opinion, and according to the information and explanations given to us, the term loans have been applied for the purposes for which they 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 material fraud on or by the Company, noticed or reported during the year, nor have we been informed of any such case by the Management.

FOR G.S. MATHUR & CO.
Chartered Accountants
Firm Registration Number: 8744N.

K.K.Gangopadhyay.
Partner
Membership No. 013442.

Place: Gurgaon
Date: May 08, 2015

Punj Lloyd Solar Power Limited
Balance Sheet as at March 31,2015
(All amounts in INR, unless otherwise stated)

Particulars	Notes	As at March 31, 2015	As at March 31, 2014
Equity and liabilities			
Shareholders' fund			
Share capital	3	151,000,000	151,000,000
Reserves and surplus	4	6,585,653	7,337,319
Non-current liabilities			
Long-term borrowings	5	419,800,079	437,747,964
Deferred tax liabilities (net)	6	3,625,659	3,981,931
Current liabilities			
Short-term borrowings	7	108,121,873	106,478,371
Trade payables	8	1,045,682	32,175,160
Other current liabilities	8	32,859,742	37,188,311
Short-term provisions	9	226,383	256,460
TOTAL		723,265,070	776,165,515
Assets			
Non-current assets			
Fixed assets			
Tangible assets	10	629,209,754	696,961,779
Loans and advances	11	51,390,860	51,390,860
Current assets			
Trade receivables	12	9,144,485	19,171,624
Cash and bank balances	13	32,894,481	7,953,893
Loans and advances	11	625,492	687,360
TOTAL		723,265,070	776,165,515
Summary of significant accounting policies	2.1		

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

As per our report of even date

For **G. S. Mathur & Co**
Chartered Accountants
Firm registration number: 008744N

For and on behalf of Board of Directors of
Punj Lloyd Solar Power Limited

per **K. K. Gangopadhyay**
Partner
Membership no.: 013442
Place: Gurgaon
Date: May 08, 2015

Ankit Jain
Chief Financial
Officer

Vineeta Sharma
Company
Secretary

Manpreet Singh
Director

Rajat Seksaria
Director

Punj Lloyd Solar Power Limited
Statement of Profit and Loss for the year ended March 31, 2015
(All amounts in INR, unless otherwise stated)

	Notes	Year ended March 31, 2015	Year ended March 31, 2014
Income			
Revenue from operations		102,149,524	113,137,016
Other income	14	314,562	725,571
Total income (I)		102,464,086	113,862,587
Expenses			
Other expenses	15	38,464,843	49,642,788
Total expenses (II)		38,464,843	49,642,788
Earning before interest, tax, depreciation and amortization (EBITDA) (I-II)			
		63,999,243	64,219,799
Depreciation and amortization expense	10	57,133,457	57,191,478
Finance costs	16	7,973,725	8,480,248
(Loss)/profit before tax		(1,107,938)	(1,451,927)
Tax expenses			
Current tax		-	-
MAT credit entitlement		-	-
Deferred tax		(356,272)	(1,333,246)
Total tax expense		(356,272)	(1,333,246)
(Loss)/profit for the year		(751,666)	(118,681)
Earnings per equity share			
Basic and diluted earning per share		(0.05)	(0.01)
Summary of significant accounting policies	2.1		

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

As per our report of even date

For **G. S. Mathur & Co**
Chartered Accountants
Firm registration number: 008744N

For and on behalf of Board of Directors of
Punj Lloyd Solar Power Limited

per **K. K. Gangopadhyay**
Partner
Membership no.: 013442
Place: Gurgaon
Date: May 08, 2015

Ankit Jain
Chief Financial
Officer

Vineeta Sharma
Company
Secretary

Manpreet Singh
Director

Rajat Seksaria
Director

Punj Lloyd Solar Power Limited
Cash flow statements for the year ended March 31, 2015
(All amounts in INR, unless otherwise stated)

	Year ended March 31, 2015	Year ended March 31, 2014
Cash flow from/ (used in) operating activities		
(Loss)/ profit before tax	(1,107,938)	(1,451,927)
Adjustments for:		
Depreciation and amortization	57,133,457	57,191,478
Profit on sale of fixed assets	-	-
Provision for doubtful debts	-	-
Unspent liabilities written back	-	-
Interest expense	7,512,933	8,350,405
Interest income	(314,562)	(278,685)
Operating profit before changes in operating assets and liabilities	63,223,889	63,811,271
Movement in working capital:		
(Decrease)/ increase in trade payables	(31,129,478)	29,178,786
(Decrease)/ increase in depreciation reserve	(4,292,354)	(6,278,562)
(Decrease)/ increase in provisions	(161,155)	(1,691,399)
Decrease in other current liabilities	(65,026,095)	(50,438,786)
Decrease/ (increase) in trade receivables	10,027,140	(4,029,250)
Decrease/ (increase) in loans and advances	61,868	(47,575,104)
Cash generated from/ (used in) operations	(27,296,186)	(17,023,044)
Direct taxes paid (net of refunds)	131,079	131,079
Net cash flow from/ (used in) operating activities (A)	(27,165,108)	(16,891,965)
Cash flow used in investing activities		
Purchase of fixed assets	14,910,921	(11,314,221)
Interest received	314,562	278,685
Net cash flow used in investing activities (B)	15,225,484	(11,035,536)
Cash flow (used in)/ from financing activities		
Proceeds from long-term borrowings	41,226,918	72,148,568
(Repayment)/proceeds from short-term borrowings (net)	1,643,502	(36,900,000)
Interest paid	(5,990,210)	(6,793,958)
Net cash flow (used in)/from financing activities (C)	36,880,210	28,454,610
Net increase/(decrease) in cash and cash equivalents (A+B+C)	24,940,586	527,109
Cash and cash equivalents at the beginning of the year	7,953,894	7,426,785
Cash and cash equivalents at the end of the year	32,894,481	7,953,894
Components of cash and cash equivalents		
Cash on hand	69,375	724,259
Balances with banks:		
On current accounts	8,325,106	7,229,635
Deposits with original maturity of less than three months	24,500,000	-
Total cash and cash equivalents (also refer note 13)	32,894,481	7,953,894

As per our report of even date

For **G. S. Mathur & Co**
Firm registration number: 008744N
Chartered Accountants

For and on behalf of Board of Directors of
Punj Lloyd Solar Power Limited

per **K. K. Gangopadhyay**
Partner
Membership no.: 013442
Place: Gurgaon
Date: May 08, 2015

Ankit Jain
Chief Financial
Officer

Vineeta Sharma
Company
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Manpreet Singh
Director

Rajat Seksaria
Director

Punj Lloyd Solar Power Limited
Notes to financial statements for the Year ended March 31, 2015
(All amounts in INR, unless otherwise stated)

3 Share capital

Particulars	As at	
	March 31, 2015	March 31, 2014
Authorised shares		
15,500,000 (previous year 15,500,000) equity shares of Rs. 10 each	155,000,000	155,000,000
Issued, subscribed and fully paid-up shares		
15,100,000 (previous year 15,100,000) equity shares of Rs. 10 each	151,000,000	151,000,000
	151,000,000	151,000,000

(a) Reconciliation of the shares outstanding at the beginning and at the end of the reporting period

Particulars	As at March 31, 2015		As at March 31, 2014	
	Nos.	Amount	Nos.	Amount
Equity shares outstanding at the beginning of the year	15,100,000	151,000,000	15,100,000	151,000,000
Add: Equity shares issued during the year	-	-	-	-
Outstanding at the end of the year	15,100,000	151,000,000	15,100,000	151,000,000

(b) Terms and rights attached to equity shares

The Company has only one class of equity shares having a par value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

(c) Share capital held by its holding company

Out of equity shares issued, subscribed and fully paid up by the Company, shares held by its holding company and its nominees are as below:

Particulars	As at	
	March 31, 2015	March 31, 2014
Punj Lloyd Infrastructure Limited, the holding company	151,000,000	151,000,000
15,100,000 (previous year 15,100,000) equity shares of Rs. 10 each fully paid		

(d) List of shareholders holding more than 5% of the equity share capital of the Company at the beginning and at the end of the reporting year:

Name of Shareholder	As at March 31, 2015		As at March 31, 2014	
	Nos.	% of Holding	Nos.	% of Holding
Punj Lloyd Infrastructure Limited	15,100,000	100%	15,100,000	100%

(e) No bonus shares or shares issued for consideration other than cash or shares bought back over the last five years immediately preceding the reporting date

4 Reserve and surplus

Particulars	As at	
	March 31, 2015	March 31, 2014
Surplus in the statement of profit and loss		
Balance as per the last financial statements	7,337,319	7,456,000
Profit for the year	(751,666)	(118,681)
Net deficit in the statement of profit and loss	6,585,653	7,337,319
Total reserves and surplus	6,585,653	7,337,319

5 Long-term borrowings

Particulars	Non-current portion		Current maturities	
	As at	As at	As at	As at
	March 31, 2015	March 31, 2014	March 31, 2015	March 31, 2014
Term loan				
Foreign currency loan from a bank (secured) LIBOR + 1.25% loan repayable in 36 semi-annual installments, due and payable on each January 15 and July 15, beginning on July 15, 2012. The loan is secured against hypothecation over the assets of the Company.	419,800,079	437,747,964	29,988,804	29,185,999
	419,800,079	437,747,964	29,988,804	29,185,999
The above amount includes				
Secured borrowings	419,800,079	437,747,964	29,988,804	29,185,999
Amount disclosed under the head "other current liabilities" (note 8)	-	-	(29,988,804)	(29,185,999)
	419,800,079	437,747,964	-	-

Punj Lloyd Solar Power Limited
Notes to financial statements for the Year ended March 31, 2015
(All amounts in INR, unless otherwise stated)

6 Deferred tax liabilities (net)

Particulars	As at March 31, 2015	As at March 31, 2014
Deferred tax liability		
Fixed assets: Impact of difference between tax depreciation and depreciation/ amortization charged for the financial reporting	38,399,956	35,543,417
Gross deferred tax liability	38,399,956	35,543,417
Deferred tax asset		
Unabsorbed losses/carried forward losses	34,774,297	31,561,486
Gross deferred tax asset	34,774,297	31,561,486
Deferred tax liabilities (net)	3,625,659	3,981,931

7 Short-term borrowings

Particulars	As at March 31, 2015	As at March 31, 2014
Interest free loan from Punj Lloyd Infrastructure Limited repayable on demand (unsecured)	108,121,873	106,478,371
	108,121,873	106,478,371

8 Other current liabilities

Particulars	As at March 31, 2015	As at March 31, 2014
Trade payables (including acceptances) (refer note 20 for details of dues to micro and small enterprises)	1,045,682	32,175,160
Other liabilities		
Current maturities of long-term borrowings (note 5)	29,988,804	29,185,999
Due to Holding Co	679,396	5,973,466
Interest accrued but not due on borrowings	1,522,723	1,556,447
Others		
TDS payable	220,457	375,829
Other	448,362	96,570
	32,859,742	37,188,311
	33,905,424	69,363,470

9 Provisions

Particulars	As at March 31, 2015	As at March 31, 2014
Other provisions		
Provision for tax (net of advance tax)	226,383	256,460
	226,383	256,460
	226,383	256,460

10 Fixed assets : Tangible assets

Particulars	Office Equipments	Leasehold Land	Plant and equipment	Total
Cost				
At April 01, 2013	10,500	228,300	783,170,075	783,408,875
Additions during the year	-	-	113,332,630	113,332,630
Disposals during the year	-	-	(84,118,410)	(84,118,410)
At March 31, 2014	10,500	228,300	812,384,295	812,623,095
Additions during the period	-	-	12,652,578	12,652,578
Disposals during the period	-	-	(27,563,500)	(27,563,500)
As at March 31, 2015	10,500	228,300	797,473,373	797,712,173
Depreciation				
At April 01, 2013	447	15,220	64,732,733	64,748,400
Charge for the year	1,702	7,610	57,182,166	57,191,478
Disposal during the year	-	-	6,278,562	6,278,562
At March 31, 2014	2,149	22,830	115,636,337	115,661,316
Charge for the period	3,500	7,610	57,122,347	57,133,457
Disposal during the Period	-	-	4,292,354	4,292,354
As at March 31, 2015	5,649	30,440	168,466,330	168,502,419
Net block				
At March 31, 2014	8,351	205,470	696,747,958	696,961,779
As at March 31, 2015	4,851	197,860	629,007,043	629,209,754

Punj Lloyd Solar Power Limited
Notes to financial statements for the Year ended March 31, 2015
(All amounts in INR, unless otherwise stated)

11 Loans and advances

Particulars	Long-term		Short-term	
	As at March 31, 2015	As at March 31, 2014	As at March 31, 2015	As at March 31, 2014
Capital advance				
Unsecured, considered good	-	-	-	-
Security deposit				
Unsecured, considered good	500,000	500,000	-	-
Advances recoverable in cash or kind				
Unsecured, considered good	-	-	2,840	54,122
Other loans and advances				
Punj Lloyd Delta Renewables Pvt Ltd	47,708,479	47,708,479	-	-
MAT credit entitlement	3,182,381	3,182,381	-	-
Prepaid expenses	-	-	622,652	633,238
	<u>50,890,860</u>	<u>50,890,860</u>	<u>622,652</u>	<u>633,238</u>
	51,390,860	51,390,860	625,492	687,360

12 Trade receivables

Particulars	As at March 31, 2015	As at March 31, 2014
Outstanding for a period less than six months from the date they are due for payment		
Secured, considered good	8,697,599	19,171,624
Outstanding for a period exceeding six months from the date they are due for payment		
Unsecured, considered good	446,886	-
	<u>9,144,485</u>	<u>19,171,624</u>

13 Cash and bank balances

Particulars	As at March 31, 2015	As at March 31, 2014
Cash and cash equivalents		
Cash on hand	69,375	724,259
Balances with a bank:		
On current account	8,325,106	7,229,634
Deposits with original maturity of less than three months	24,500,000	-
	<u>32,894,481</u>	<u>7,953,893</u>
	32,894,481	7,953,893

Punj Lloyd Solar Power Limited

Notes to financial statements for the year ended March 31, 2015

(All amounts in INR, unless otherwise stated)

14 Other income

Particulars	Year ended	Year ended
	March 31, 2015	March 31, 2014
Interest income on bank deposits	314,562	278,685
Other Income	-	446,886
	314,562	725,571

15 Other expenses

Particulars	Year ended	Year ended
	March 31, 2015	March 31, 2014
Consultancy and professional charges	963,276	2,710,298
Operation and Maintenance charges	8,334,183	6,409,450
Rent	63,230	63,420
Travelling and conveyance	192,051	424,298
Rates and taxes	536,390	102,045
Insurance	771,045	924,306
Payment to auditors (refer details below)	28,090	28,090
Loss on discard of solar modules	23,271,146	33,989,848
Management Fees	2,295,504	3,998,329
Discount Allowed	1,964,468	784,267
Miscellaneous expenses	45,460	208,438
	38,464,843	49,642,788

Payment to statutory auditors:

As auditors:

Audit fees

	28,090	28,090
	28,090	28,090

16 Finance costs

Particulars	Year ended	Year ended
	March 31, 2015	March 31, 2014
Interest expense	7,512,933	8,350,405
Bank charges	22,430	16,865
Bank guarantee commission	438,362	112,978
	7,973,725	8,480,248

17 Earnings per share**Basic and diluted earnings**

	March 31, 2015	March 31, 2014
a) Calculation of weighted average number of equity shares of Rs. 10 each		
Number of equity shares at the beginning of the year	15,100,000	15,100,000
Equity shares at the end of the year	15,100,000	15,100,000
Weighted average number of equity shares outstanding during the year	15,100,000	15,100,000
b) Net (loss)/ profit after tax available for equity share holders (Rs.)	(751,666)	(118,681)
c) Basic and diluted (loss)/earnings per share	(0.05)	(0.01)
d) Nominal value of share (Rs.)	10	10

Punj Lloyd Solar Power Limited

Notes to financial statements for the year ended March 31, 2015

(All amounts in INR, unless otherwise stated)

18 Segment Reporting

Business Segment:

The Company's business activity falls within a single business segment i.e. "generation, transmission, distribution and management of Solar Power ". Therefore, segment reporting in terms of Accounting Standard 17 on Segmental Reporting is not applicable.

Geographical Segment

The Company's operations are within India and does not operate in any other Country and hence there are no geographical segments.

19 Related party disclosures

A Names of related parties and related party relationship

Related parties where control exists irrespective of whether transactions have occurred or not

Holding company	Punj Lloyd Infrastructure Limited
Ultimate Holding company	Punj Lloyd Limited

B Related parties with whom transactions have taken place during the year

Holding company	Punj Lloyd Infrastructure Limited
Ultimate Holding company	Punj Lloyd Limited
Fellow subsidiary	Punj Lloyd Delta Renewables Private Limited PLN Construction Limited

C Key management personnel

Luv Chhabra	Director
Dinesh Thairani	Director
Rajat Seksaria	Director
Manpreet Singh	Director & Manager
Ankit Jain	CFO
Vineeta Sharma	Company Secretary

Related party transactions

Particulars	Holding company		Ultimate Holding company		Fellow subsidiaries	
	March 31, 2015	March 31, 2014	March 31, 2015	March 31, 2014	March 31, 2015	March 31, 2014
Expenses						
Consultancy and professional charges	2,295,504	3,998,329	-	-	-	-
Capital Expenditure-Solar Modules	-	-	-	-	-	63,000,000
Operation and Maintenance charges	-	-	-	-	400,000	-
Balance outstanding at the end of the year						
Receivable/ (Payable)						
Punj Lloyd Infrastructure Limited	(108,121,873)	(111,772,441)	-	-	-	-
Punj Lloyd Limited	-	-	(679,396)	(679,396)	-	-
Punj Lloyd Delta Renewables Pvt Ltd	-	-	-	-	47,708,479	47,708,479
PLN Construction Limited	-	-	-	-	-	(31,672,000)

20 The Micro and Small Enterprises have been identified by the Company from the available information, which has been relied upon by the auditors. According to such identification, there were no dues to Micro and Small Enterprise that are reportable as per Micro, Small and Medium Enterprise Development Act, 2006 outstanding as at March 31, 2015.

21 Expenditure in foreign currency (accrual basis)

Particulars	March 31, 2015	March 31, 2014
Consultancy and professional charges	143,131	1,629,481
Interest	7,512,933	8,350,405
	7,656,064	9,979,886

22 The Asset of Rs. Nil (Previous year Rs. 31,82,381/-) recognized by the company as "Mat Credit Entitlement" under "Loans and Advance", in respect of MAT payment for earlier years, represents that portion of MAT liability which can be recovered and set off in subsequent periods based on the provisions of Section 115JAA of the Income Tax Act, 1961. The management based on the present trend of profitability and also the future profitability projections is of the view that there would be sufficient taxable income in foreseeable future, which will enable the company to utilize MAT credit assets.

23 In the opinion of the management, the current assets, loan and advances appearing in the balance sheet have a value equivalent to the amount stated therein if realized during the ordinary course of business and all known liabilities have been provided.

24 Balances of sundry debtors, sundry creditors, loans and advances and deposits are subject to balance confirmation and reconciliation thereof.

25 Provision for impairment loss as required under Accounting Standard – 28 on impairment of Assets is not necessary as in the opinion of management there is no impairment of the company's assets in terms of AS – 28.

Punj Lloyd Solar Power Limited

Notes to financial statements for the year ended March 31, 2015

(All amounts in INR, unless otherwise stated)

- 26 As there is no employee as on date there is no requirement of the policy regarding employees benefit
- 27 There is no inventory in the company as such accounting policy on inventories is not required.
- 28 There is no investment made by the company as such accounting policy on investment is not required.
- 29 Previous year figures have been regrouped/reclassified, where necessary, to conform to this year's classification.

For G. S. Mathur & Co

Chartered Accountants

Firm registration number: 008744N

For and on behalf of Board of Directors of
Punj Lloyd Solar Power Limited

per K. K. Gangopadhyay

Partner

Membership no.: 013442

Place: Gurgaon

Date: May 08, 2015

Ankit Jain
Chief Financial
Officer

Vineeta Sharma
Company
Secretary

Manpreet Singh
Director

Rajat Seksaria
Director

Punj Lloyd Solar Power Limited
Notes to financial statements for the year ended March 31, 2015
(All amounts in INR, unless otherwise stated)

1. Corporate Information

Punj Lloyd Solar Power Limited was incorporated and registered on December 24, 2010 under the laws of India. The company was incorporated as a Special Purpose Vehicle (SPV) with the main object to act as developers, owners, engineers, operators, consultants, contractors and sub-contractors for engineering, procurement, construction, operation and maintenance of infrastructural projects involving generation, transmission, distribution and management of Solar Power . The company is a wholly owned subsidiary of Punj Lloyd Infrastructure Limited.

2. Basis of preparation

The financial statements of the Company have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP). The Company has prepared these financial statements to comply in all material respects with the Accounting Standards notified by Companies (Accounting Standards) Rules, 2006, (as amended) and the relevant provisions of the Companies Act, 2013. The financial statements have been prepared on an accrual basis and under the historical cost convention.

The accounting policies adopted in the preparation of financial statements have been consistently applied by the Company and are consistent with those of previous year, except for the change in accounting policy explained below.

2.1 Summary of significant accounting policies

(a) Use of estimates

The preparation of financial statements in conformity with Indian GAAP requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring an adjustment to the carrying amounts of assets or liabilities in future periods.

(b) Tangible assets

Tangible assets are stated at cost, net off accumulated depreciation and accumulated impairment losses, if any. The cost comprises the purchase price, borrowing costs if capitalisation criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discounts and rebates are deducted in arriving at the purchase price.

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

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

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Notes to financial statements for the year ended March 31, 2015
(All amounts in INR, unless otherwise stated)

(c) Depreciation on tangible assets

1. Depreciation on tangible assets is calculated on a straight-line basis, at the rates prescribed under Schedule II to the Companies Act, 2013 except depreciation on the assets of the generation of electricity business is charged on straight line method following the rates and methodology notified by the CERC Tariff Regulations, 2003.
2. Amount added to assets on account of foreign exchange fluctuation is depreciated prospectively over the remaining useful lives of the respective assets.

(d) Leases

Where the Company is the lessee

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item are classified as operating leases. Operating lease payments are recognized as an expense in the statement of profit and loss on a straight-line basis over the period of lease i.e 30 years.

(e) Revenue recognition

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

1. Revenue from operations is accounted for in accordance with the terms of agreements with the customers.
2. Interest income is recognised on a time proportion basis taking into account the amount outstanding and the applicable interest rate. Interest income is included under the head "other income" in the statement of profit and loss.

(f) Borrowing Costs

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

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

(g) Income taxes

Tax expense comprises of current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income Tax Act, 1961 enacted in India and tax laws prevailing in the respective tax jurisdictions where the Company operates. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date. Current income tax relating to items recognised directly in Shareholders' funds is recognised in Shareholders' funds and not in the statement of profit and loss.

Deferred income taxes reflect the impact of timing differences between taxable income and accounting income originating during the current year and reversal of timing differences of earlier years. Deferred tax is measured using the tax rates and tax laws enacted or substantively enacted at the reporting date. Deferred income tax relating to items recognised directly in

Punj Lloyd Solar Power Limited
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Shareholders' funds is recognised in Shareholders' funds and not in the statement of profit and loss.

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

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

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

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

(h) Segment reporting

Identification of segments

The Company's operating businesses are organized and managed separately according to the nature of products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets. The analysis of geographical segments is based on the areas in which major operating divisions of the Company operate.

Unallocated items

Unallocated items include general corporate income and expense items which are not allocated to any business segment.

Segment accounting policies

The Company prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the Company as a whole.

Punj Lloyd Solar Power Limited
Notes to financial statements for the year ended March 31, 2015
(All amounts in INR, unless otherwise stated)

(i) Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the year is adjusted for the events of bonus issue and share split.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

(j) Provisions

A provision is recognized when the Company has a present obligation as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not discounted to their present value and are determined based on best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

(k) Cash and Cash equivalents

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

(l) Contingent liabilities

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

(m) Operating Cycle

The operating cycle is the time between the acquisition of assets for processing and their realization in cash or cash equivalents and the same is considered as project period.

(n) Foreign currency transaction

i. Initial recognition

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

ii. Conversion

Foreign currency monetary items are retranslated using the exchange rate prevailing at the reporting date. Non-monetary items, which are measured in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of the transaction. Non-monetary items, which are carried at fair value or other similar valuation denominated in a foreign currency, are translated using the exchange rate at the date when such value was determined.

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Notes to financial statements for the year ended March 31, 2015
(All amounts in INR, unless otherwise stated)

iii. Exchange differences

The Company accounts for exchange differences arising on translation/settlement of foreign currency monetary items as below:

- a) Exchange differences arising on the settlement of monetary items or on reporting company's monetary items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognised as income or as expenses in the year in which they arise.

All other exchange differences are recognised as income or as expenses in the period in which they arise.

(o) Measurement of EBITDA

As permitted by the Guidance Note on the Revised Schedule VI to the Companies Act, 2013, the Company has elected to present earnings before interest, tax, depreciation and amortization (EBITDA) as a separate line item on the face of the statement of profit and loss. In its measurement, the Company does not include depreciation and amortization expense, finance costs and tax expense.