

G. S. Mathur & Co.

Chartered Accountants

A-160, Defence Colony, New Delhi-110 024

Tel. : 41554880, 41554881, 24331503 • Fax : 24331502

E-Mail : gsmco.gsmco@gmail.com • Website : gsmco.net.in

Independent Auditor's Report

To the Members of PUNJ LLOYD SOLAR POWER LIMITED

Report on the Financial Statements

- 1) We have audited the accompanying financial statements of **Punj Lloyd Solar Power Limited** ("the Company") which comprise the Balance Sheet as at March 31, 2016, the Statement of Profit and Loss, Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

- 2) The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

- 3) Our responsibility is to express an opinion on these financial statements based on our audit.
- 4) 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.
- 5) 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.



- 6) 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.
- 7) 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

- 8) 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 March 31, 2016, and its Loss and its Cash Flow for the year ended on that date.

Report on Other Legal and Regulatory Requirements

- 9) As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), as amended, issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.
- 10) 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 purpose of our audit;
 - b. in our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - c. the Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account
 - d. in our opinion, the aforesaid financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.



- e. On the basis of written representations received from the directors as on March 31, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.
- f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in “Annexure B”.
- g. With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements, if any.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - 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

Registration Number: 8744N.



K.K. Gangopadhyay

Partner

Membership No. 013442.

Place: Gurgaon

Date: May 18, 2016

“Annexure A” to the Independent Auditors’ Report

Referred to in paragraph 9 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, 2016:

- 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 and no material discrepancies have been noticed on such verification. In our opinion, the frequency of verification is reasonable.

(c) The title deeds of immovable properties are held in the name of the company.
- 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, Limited Liability partnerships or other parties covered in the Register maintained under section 189 of the Act. Accordingly, the provisions of clause 3 (iii) (a) to (C) of the Order are not applicable to the Company.
- iv. In our opinion and according to the information and explanations given to us, the company has not granted any loans, investments, guarantees and securities in respect of which provision of section 185 and 186 of the Companies Act, 2013 are applicable and hence not commented upon.
- v. The Company has not accepted any deposits from the public and hence the directives issued by the Reserve Bank of India and the provisions of Sections 73, 74, 75 & 76 of the Act and the Companies (Acceptance of Deposit) Rules, 2015 with regard to the deposits accepted from the public are not applicable.
- 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 information and explanations given to us and the records of the Company examined by us, in our opinion, company is generally regular in depositing undisputed statutory dues in respect of Provident Fund, Employee’s State Insurance, Service Tax, cess and Income Tax though, and any other Statutory dues, as applicable, with the appropriate authorities. No such statutory dues were outstanding at the year end, for a period of more than six months from the date they become payable.
(b) According to the information and explanation given to us, there are no dues of income tax, sales tax, service tax, duty of customs, duty of excise, value added tax outstanding on account of any dispute.
- viii. In our opinion and according to the information and explanations given by the management, the Company has not defaulted in the repayment of dues to financial institutions/ banks. The company did not have any outstanding dues in respect of debenture during the year.
- ix. According to the records of the company examined by us and the information and explanations given to us, during the year no money were raised by way of initial public offer or further public offer (including debt instruments). Further in our opinion and according to the information and



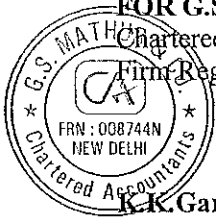
explanations given by the management, that the company has utilized the monies raised by way of terms of loans for the purposes for which they were raised.

- x. According to the audit procedures performed and the information and explanations given to us by management, no fraud noticed by the Company, or its officers, or employees during the year.
- xi. According to the records of the company examined by us and the information and explanations given to us, no managerial remuneration paid during the year, hence provisions of section 197 read with schedule V to the Companies Act not applicable.
- xii. In our opinion, the Company is not a Nidhi Company. Therefore, the provisions of clause 3 (xii) of the Order are not applicable to the Company.
- xiii. According to the information and explanations given to us by management, all transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the Financial Statements etc., as required by the applicable accounting standards
- xiv. According to the information and explanations given to us by management, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of clause 3 (xiv) of the Order are not applicable to the Company.
- xv. According to the audit procedures performed and the information and explanations given to us by management, the company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, the provisions of clause 3 (xv) of the Order are not applicable to the Company.
- xvi. According to the information and explanations given to us, company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions of clause 3 (xvi) of the Order are not applicable to the Company.

FOR G.S. MATHUR & CO.

Chartered Accountants

Firm Registration Number: 8744N.



K.K. Gangopadhyay

Partner

Membership No. 013442

Place: Gurgaon

Date: May 18, 2016

**“Annexure B” to the Independent Auditor’s Report of even date on the Financial Statements of
Punj Lloyd Solar Power Limited**

**Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143
of the Companies Act, 2013 (“the Act”)**

- i. We have audited the internal financial controls over financial reporting of **Punj Lloyd Solar Power Limited** (“the Company”) as of March 31, 2016 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

- ii. The Company’s management is responsible for establishing and maintaining internal financial controls based on “the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India”. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors’ Responsibility

- iii. Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.
- iv. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
- v. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system over financial reporting.



Meaning of Internal Financial Controls over Financial Reporting

- vi. A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

- vii. Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

- viii. In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on "the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India".

FOR G.S. MATHUR & CO.

Chartered Accountants

Firm Registration Number: 8744N.



K.K. Gangopadhyay

Partner
Membership No. 013442.

Place: Gurgaon

Date: May 18, 2016

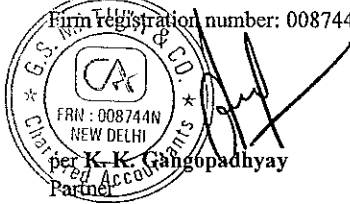
Punj Lloyd Solar Power Limited
Balance Sheet as at March 31, 2016
(All amounts in INR, unless otherwise stated)

| Particulars | Notes | As at March 31, 2016 | As at March 31, 2015 |
|--|-------|-------------------------|-------------------------|
| Equity and liabilities | | | |
| Shareholders' fund | | | |
| Share capital | 3 | 15,10,00,000 | 15,10,00,000 |
| Reserves and surplus | 4 | 54,30,328 | 65,85,653 |
| Non-current liabilities | | | |
| Long-term borrowings | 5 | 40,90,99,102 | 41,98,00,079 |
| Deferred tax liabilities (net) | 6 | 31,54,408 | 36,25,659 |
| Current liabilities | | | |
| Short-term borrowings | 7 | 8,38,29,132 | 10,81,21,873 |
| Trade payables | 8 | 11,84,438 | 10,45,682 |
| Other current liabilities | 8 | 3,41,04,062 | 3,28,59,742 |
| Short-term provisions | 9 | 1,56,006 | 2,26,383 |
| TOTAL | | 68,79,57,476 | 72,32,65,070 |
| Assets | | | |
| Non-current assets | | | |
| Fixed assets | | | |
| Tangible assets | 10 | 58,18,65,904 | 62,92,09,754 |
| Loans and advances | 11 | 5,13,90,860 | 5,13,90,860 |
| Current assets | | | |
| Trade receivables | 12 | 1,84,27,071 | 91,44,485 |
| Cash and bank balances | 13 | 3,59,37,137 | 3,28,94,481 |
| Loans and advances | 11 | 3,36,505 | 6,25,491 |
| TOTAL | | 68,79,57,476 | 72,32,65,070 |
| 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



per K. K. Gangopadhyay
Partner
Membership no.: 013442
Place: Gurgaon
Date: May 18, 2016

Ankit
Chief Financial
Officer

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

[Signature] Company Secretary
[Signature] Director
[Signature] Director

Punj Lloyd Solar Power Limited
Statement of Profit and Loss for the year ended March 31, 2016
(All amounts in INR, unless otherwise stated)

| | Notes | Year ended March 31, 2016 | Year ended March 31, 2015 |
|--|-------|------------------------------|------------------------------|
| Income | | | |
| Revenue from operations | | 10,10,70,332 | 10,21,49,524 |
| Other income | 14 | 7,03,763 | 3,14,562 |
| Total income (I) | | 10,17,74,095 | 10,24,64,086 |
| Expenses | | | |
| Other expenses | 15 | 3,86,46,003 | 3,84,64,843 |
| Total expenses (II) | | 3,86,46,003 | 3,84,64,843 |
| Earning before interest, tax, depreciation and amortization (EBITDA) (I-II) | | | |
| Depreciation and amortization expense | 10 | 6,31,28,092 | 6,39,99,243 |
| Finance costs | 16 | 5,65,62,070 | 5,71,33,457 |
| (Loss)/profit before tax | | 81,92,598 | 79,73,725 |
| Tax expenses | | | |
| Current tax | | - | - |
| MAT credit entitlement | | - | - |
| Deferred tax | | (4,71,251) | (3,56,272) |
| Total tax expense | | (4,71,251) | (3,56,272) |
| (Loss)/profit for the year | | (11,55,325) | (7,51,666) |
| Earnings per equity share | | | |
| Basic and diluted earning per share | 17 | (0.08) | (0.05) |
| 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

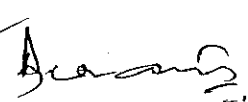
K. K. Gangobadhayay
Partner
Membership no.: 013442
Place: Gurgaon
Date: May 18, 2016


Chief Financial
Officer


Company
Secretary

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



Director
Din


Director
Din

Punj Lloyd Solar Power Limited
Cash flow statements for the year ended March 31, 2016
(All amounts in INR, unless otherwise stated)


| | Year ended March 31, 2016 | Year ended March 31, 2015 |
|--|------------------------------|------------------------------|
| Cash flow from/ (used in) operating activities | | |
| (Loss)/ profit before tax | (16,26,576) | (11,07,938) |
| Adjustments for: | | |
| Depreciation and amortization | 5,65,62,070 | 5,71,33,457 |
| Loss / (Profit) on sale of fixed assets | - | 2,75,63,500 |
| Provision for doubtful debts | - | - |
| Unspent liabilities written back | - | - |
| Interest expense | 78,81,480 | 75,12,933 |
| Interest income | (7,03,763) | (3,14,562) |
| Operating profit before changes in operating assets and liabilities | 6,21,13,211 | 9,07,87,390 |
| Movement in working capital: | | |
| (Decrease)/ increase in trade payables | 1,38,756 | (3,11,29,478) |
| (Decrease)/ increase in depreciation reserve | (36,59,407) | (42,92,354) |
| (Decrease)/ increase in provisions | (70,377) | (1,61,155) |
| Decrease in other current liabilities | (18,23,772) | (66,54,097) |
| Decrease/ (increase) in trade receivables | (92,82,586) | 1,00,27,140 |
| Decrease/ (increase) in loans and advances | 2,88,987 | 61,868 |
| Cash generated from/ (used in) operations | 4,77,04,811 | 5,86,39,314 |
| Direct taxes paid (net of refunds) | 0 | 1,31,079 |
| Net cash flow from/ (used in) operating activities (A) | 4,77,04,811 | 5,87,70,393 |
| Cash flow used in investing activities | | |
| Purchase of fixed assets | (55,58,814) | (1,26,52,579) |
| Interest received | 7,03,763 | 3,14,562 |
| Net cash flow used in investing activities (B) | (48,55,050) | (1,23,38,017) |
| Cash flow (used in)/ from financing activities | | |
| Proceeds from long-term borrowings | (92,17,133) | (1,71,45,080) |
| (Repayment)/proceeds from short-term borrowings (net) | (2,42,92,741) | 16,43,502 |
| Interest paid | (62,97,232) | (59,90,210) |
| Net cash flow (used in)/from financing activities (C) | (3,98,07,105) | (2,14,91,788) |
| Net increase/(decrease) in cash and cash equivalents (A+B+C) | 30,42,655 | 2,49,40,588 |
| Cash and cash equivalents at the beginning of the year | 3,28,94,482 | 79,53,894 |
| Cash and cash equivalents at the end of the year | 3,59,37,137 | 3,28,94,482 |
| Components of cash and cash equivalents | | |
| Cash on hand | 21,353 | 69,375 |
| Balances with banks: | | |
| On current accounts | 3,59,15,784 | 83,25,107 |
| Deposits with original maturity of less than three months | - | 2,45,00,000 |
| Total cash and cash equivalents (also refer note 13) | 3,59,37,137 | 3,28,94,482 |


As per our report of even date

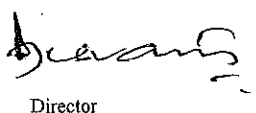
For G. S. Mathur & Co
Firm registration number: 008744N
Chartered Accountants

per K. K. Gangopadhyay
Partner
Membership no.: 013442
Place: Gurgaon
Date: May 18, 2016


Chief Financial
Officer

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


Company
Secretary


Director
Din


Director
Din

Punj Lloyd Solar Power Limited
Notes to financial statements for the year ended March 31, 2016
(All amounts in INR, unless otherwise stated)

3 Share capital

| Particulars | As at | As at |
|--|----------------|----------------|
| | March 31, 2016 | March 31, 2015 |
| Authorised shares | | |
| 15,500,000 (previous year 15,500,000) equity shares of Rs. 10 each | 15,50,00,000 | 15,50,00,000 |
| Issued, subscribed and fully paid-up shares | | |
| 15,10,00,000 (previous year 15,10,00,000) equity shares of Rs. 10 each | 15,10,00,000 | 15,10,00,000 |
| | 15,10,00,000 | 15,10,00,000 |

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

| Particulars | As at March 31, 2016 | | As at March 31, 2015 | |
|--|----------------------|---------------------|----------------------|---------------------|
| | Nos. | Amount | Nos. | Amount |
| Equity shares outstanding at the beginning of the year | 1,51,00,000 | 15,10,00,000 | 1,51,00,000 | 15,10,00,000 |
| Add: Equity shares issued during the year | - | - | - | - |
| Outstanding at the end of the year | 1,51,00,000 | 15,10,00,000 | 1,51,00,000 | 15,10,00,000 |

(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 | As at |
|---|----------------|----------------|
| | March 31, 2016 | March 31, 2015 |
| Punj Lloyd Infrastructure Limited, the holding company | 15,10,00,000 | 15,10,00,000 |
| 15,10,00,000 (previous year 15,10,00,000) 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, 2016 | | As at March 31, 2015 | |
|-----------------------------------|----------------------|--------------|----------------------|--------------|
| | Nos. | % of Holding | Nos. | % of Holding |
| Punj Lloyd Infrastructure Limited | 1,51,00,000 | 100% | 1,51,00,000 | 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 | As at |
|--|------------------|------------------|
| | March 31, 2016 | March 31, 2015 |
| Surplus in the statement of profit and loss | | |
| Balance as per the last financial statements | 65,85,653 | 73,37,319 |
| Profit for the year | (11,55,325) | (7,51,666) |
| Net deficit in the statement of profit and loss | 54,30,328 | 65,85,653 |
| Total reserves and surplus | 54,30,328 | 65,85,653 |

5 Long-term borrowings

| Particulars | Non-current portion | | Current maturities | |
|---|-------------------------|-------------------------|-------------------------|-------------------------|
| | As at March 31, 2016 | As at March 31, 2015 | As at March 31, 2016 | As at March 31, 2015 |
| 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. | 40,90,99,102 | 41,98,00,079 | 3,14,72,648 | 2,99,88,804 |
| | 40,90,99,102 | 41,98,00,079 | 3,14,72,648 | 2,99,88,804 |
| The above amount includes | | | | |
| Secured borrowings | 40,90,99,102 | 41,98,00,079 | 3,14,72,648 | 2,99,88,804 |
| Amount disclosed under the head "other current liabilities" (note 8) | - | - | (3,14,72,648) | (2,99,88,804) |
| | 40,90,99,102 | 41,98,00,079 | - | - |



Punj Lloyd Solar Power Limited
Notes to financial statements for the year ended March 31, 2016
(All amounts in INR, unless otherwise stated)

6 Deferred tax liabilities (net)

| Particulars | As at | As at |
|--|--------------------|--------------------|
| | March 31, 2016 | March 31, 2015 |
| Deferred tax liability | | |
| Fixed assets: Impact of difference between tax depreciation and depreciation/ amortization charged for the financial reporting | 4,25,82,323 | 3,83,99,956 |
| Gross deferred tax liability | 4,25,82,323 | 3,83,99,956 |
| Deferred tax asset | | |
| Unabsorbed losses/carried forward losses | 3,94,27,915 | 3,47,74,297 |
| Gross deferred tax asset | 3,94,27,915 | 3,47,74,297 |
| Deferred tax liabilities (net) | 31,54,408 | 36,25,659 |

7 Short-term borrowings

| Particulars | As at | As at |
|---|--------------------|---------------------|
| | March 31, 2016 | March 31, 2015 |
| Interest free loan from Punj Lloyd Infrastructure Limited repayable on demand (unsecured) | 8,38,29,132 | 10,81,21,873 |
| | 8,38,29,132 | 10,81,21,873 |

8 Other current liabilities

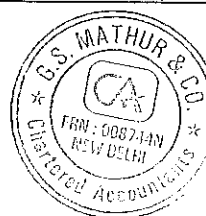
| Particulars | As at | As at |
|---|--------------------|--------------------|
| | March 31, 2016 | March 31, 2015 |
| Trade payables (including acceptances) (refer note 20 for details of dues to micro and small enterprises) | 11,84,438 | 10,45,682 |
| Other liabilities | | |
| Current maturities of long-term borrowings (note 5) | 3,14,72,648 | 2,99,88,804 |
| Due to Holding Co | 2,74,396 | 6,79,396 |
| Interest accrued but not due on borrowings | 15,84,248 | 15,22,723 |
| Others | | |
| TDS payable | 2,23,769 | 2,20,457 |
| Other | 5,49,002 | 4,48,362 |
| | 3,41,04,062 | 3,28,59,742 |
| | 3,52,88,500 | 3,39,05,424 |

9 Provisions

| Particulars | As at | As at |
|--|-----------------|-----------------|
| | March 31, 2016 | March 31, 2015 |
| Other provisions | | |
| Provision for tax (net of advance tax) | 1,56,006 | 2,26,383 |
| | 1,56,006 | 2,26,383 |
| | 1,56,006 | 2,26,383 |

10 Fixed assets : Tangible assets

| Particulars | Office Equipments | Leasehold Land | Plant and equipment | Total |
|-----------------------------|-------------------|-----------------|---------------------|---------------------|
| | Cost | | | |
| At April 01, 2014 | 10,500 | 2,28,300 | 81,23,84,295 | 81,26,23,095 |
| Additions during the year | - | - | 1,26,52,578 | 1,26,52,578 |
| Disposals during the year | - | - | (2,75,63,500) | (2,75,63,500) |
| At March 31, 2015 | 10,500 | 2,28,300 | 79,74,73,373 | 79,77,12,173 |
| Additions during the period | - | - | 2,17,56,770 | 2,17,56,770 |
| Disposals during the period | - | - | (1,61,97,957) | (1,61,97,957) |
| As at March 31, 2016 | 10,500 | 2,28,300 | 80,30,32,186 | 80,32,70,986 |
| Depreciation | | | | |
| At April 01, 2014 | 2,149 | 22,830 | 11,56,36,337 | 11,56,61,316 |
| Charge for the year | 3,500 | 7,610 | 5,71,22,347 | 5,71,33,457 |
| Disposal during the year | - | - | 42,92,354 | 42,92,354 |
| At March 31, 2015 | 5,649 | 30,440 | 16,84,66,330 | 16,85,02,419 |
| Charge for the period | 3,500 | 7,610 | 5,65,50,960 | 5,65,62,070 |
| Disposal during the Period | - | - | 36,59,407 | 36,59,407 |
| As at March 31, 2016 | 9,149 | 38,050 | 22,13,57,883 | 22,14,05,082 |
| Net block | | | | |
| At March 31, 2015 | 4,851 | 1,97,860 | 62,90,07,043 | 62,92,09,754 |
| As at March 31, 2016 | 1,351 | 1,90,250 | 58,16,74,303 | 58,18,65,904 |



Punj Lloyd Solar Power Limited
Notes to financial statements for the year ended March 31, 2016
(All amounts in INR, unless otherwise stated)

11 Loans and advances

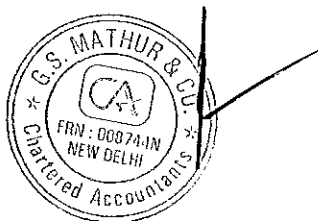
| Particulars | Long-term | | Short-term | |
|---|-------------------------|-------------------------|-------------------------|-------------------------|
| | As at March 31, 2016 | As at March 31, 2015 | As at March 31, 2016 | As at March 31, 2015 |
| Capital advance | | | | |
| Unsecured, considered good | - | - | - | - |
| Security deposit | | | | |
| Unsecured, considered good | 5,00,000 | 5,00,000 | - | - |
| Advances recoverable in cash or kind | | | | |
| Unsecured, considered good | - | - | - | 2,840 |
| Other loans and advances | | | | |
| Punj Lloyd Delta Renewables Pvt Ltd | 4,77,08,479 | 4,77,08,479 | - | - |
| MAT credit entitlement | 31,82,381 | 31,82,381 | - | - |
| Prepaid expenses | - | - | 3,36,505 | 6,22,652 |
| | <u>5,08,90,860</u> | <u>5,08,90,860</u> | <u>3,36,505</u> | <u>6,22,652</u> |
| | <u>5,13,90,860</u> | <u>5,13,90,860</u> | <u>3,36,505</u> | <u>6,25,492</u> |

12 Trade receivables

| Particulars | As at March 31, 2016 | As at March 31, 2015 |
|---|-------------------------|-------------------------|
| Outstanding for a period less than six months from the date they are due for payment | | |
| Unsecured, considered good | 1,79,80,186 | 86,97,599 |
| Outstanding for a period exceeding six months from the date they are due for payment | | |
| Unsecured, considered good | 4,46,886 | 4,46,886 |
| | <u>1,84,27,072</u> | <u>91,44,485</u> |

13 Cash and bank balances

| Particulars | As at March 31, 2016 | As at March 31, 2015 |
|---|-------------------------|-------------------------|
| Cash and cash equivalents | | |
| Cash on hand | 21,353 | 69,375 |
| Balances with a bank: | | |
| On current account | 3,59,15,784 | 83,25,106 |
| Deposits with original maturity of less than three months | - | 2,45,00,000 |
| | <u>3,59,37,137</u> | <u>3,28,94,481</u> |
| | <u>3,59,37,137</u> | <u>3,28,94,481</u> |



Punj Lloyd Solar Power Limited
Notes to financial statements for the year ended March 31, 2016
(All amounts in INR, unless otherwise stated)

14 Other income

| Particulars | Year ended | Year ended |
|----------------------------------|-----------------|-----------------|
| | March 31, 2016 | March 31, 2015 |
| Interest income on bank deposits | 7,03,763 | 3,14,562 |
| Other Income | - | - |
| | 7,03,763 | 3,14,562 |

15 Other expenses

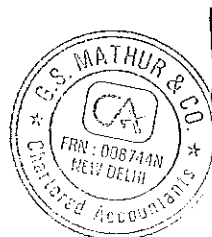
| Particulars | Year ended | Year ended |
|---|--------------------|--------------------|
| | March 31, 2016 | March 31, 2015 |
| Consultancy and professional charges | 39,42,221 | 9,63,276 |
| Operation and Maintenance charges | 1,76,49,003 | 83,34,183 |
| Rent | 63,230 | 63,230 |
| Travelling and conveyance | 51,780 | 1,92,051 |
| Rates and taxes | 1,58,867 | 5,36,390 |
| Insurance | 6,47,918 | 7,71,045 |
| Payment to auditors (refer details below) | 28,625 | 28,090 |
| Loss on discard of solar modules | 1,25,38,550 | 2,32,71,146 |
| Management Fees | 23,14,511 | 22,95,504 |
| Discount Allowed | 12,45,839 | 19,64,468 |
| Miscellaneous expenses | 5,460 | 45,460 |
| | 3,86,46,003 | 3,84,64,843 |
| Payment to statutory auditors: | | |
| As auditors: | | |
| Audit fees | 28,625 | 28,090 |
| | 28,625 | 28,090 |

16 Finance costs

| Particulars | Year ended | Year ended |
|---------------------------|------------------|------------------|
| | March 31, 2016 | March 31, 2015 |
| Interest expense | 78,81,480 | 75,12,933 |
| Bank charges | 3,11,118 | 22,430 |
| Bank guarantee commission | - | 4,38,362 |
| | 81,92,598 | 79,73,725 |

17 Earnings per share

| Basic and diluted earnings | March 31, 2016 | March 31, 2015 |
|--|---|----------------|
| | a) Calculation of weighted average number of equity shares of Rs. 10 each | |
| Number of equity shares at the beginning of the year | 1,51,00,000 | 1,51,00,000 |
| Equity shares at the end of the year | 1,51,00,000 | 1,51,00,000 |
| Weighted average number of equity shares outstanding during the year | 1,51,00,000 | 1,51,00,000 |
| b) Net (loss)/ profit after tax available for equity share holders (Rs.) | (11,55,325) | (7,51,666) |
| c) Basic and diluted (loss)/earnings per share | (0.08) | (0.05) |
| d) Nominal value of share (Rs.) | 10 | 10 |



Punj Lloyd Solar Power Limited
Notes to financial statements for the year ended March 31, 2016
(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

C Key management personnel

Rajat Seksaria Director
 Dinesh Thairani Director
 Rahul Vashishtha Director
 Jahnvi Upadhyay Director
 Ankit Jain CFO
 Vinceta Sharma Company Secretary

Related party transactions

| Particulars | Holding company | | Ultimate Holding company | | Fellow subsidiaries | |
|--|-----------------|----------------|--------------------------|----------------|---------------------|----------------|
| | March 31, 2016 | March 31, 2015 | March 31, 2016 | March 31, 2015 | March 31, 2016 | March 31, 2015 |
| Expenses | | | | | | |
| Consultancy and professional charges | 23,14,511 | 22,95,504 | - | - | - | - |
| Operation and Maintenance charges | - | - | - | - | - | 4,00,000 |
| Balance outstanding at the end of the year | | | | | | |
| Receivable/ (Payable) | | | | | | |
| Punj Lloyd Infrastructure Limited | (8,38,29,132) | (10,81,21,873) | - | - | - | - |
| Punj Lloyd Limited | - | - | (2,74,396) | (6,79,396) | - | - |
| Punj Lloyd Delta Renewables Pvt Ltd | - | - | - | - | 4,77,08,479 | 4,77,08,479 |

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, 2016.

21 Expenditure in foreign currency (accrual basis)

| Particulars | March 31, 2016 | March 31, 2015 |
|--------------------------------------|--------------------|------------------|
| Consultancy and professional charges | 34,35,066 | 1,43,131 |
| Interest | 78,81,480 | 75,12,933 |
| | 1,13,16,546 | 76,56,064 |

22 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.

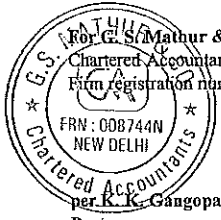
23 Balances of sundry debtors, sundry creditors, loans and advances and deposits are subject to balance confirmation and reconciliation thereof.


24 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.

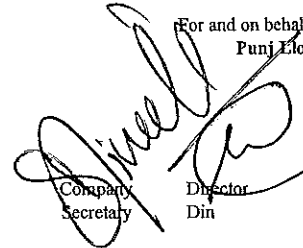


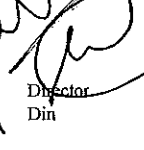
Punj Lloyd Solar Power Limited
Notes to financial statements for the year ended March 31, 2016
(All amounts in INR, unless otherwise stated)

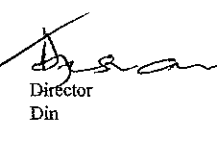
- 25 As there is no employee as on date there is no requirement of the policy regarding employees benefit
- 26 There is no inventory in the company as such accounting policy on inventories is not required.
- 27 There is no investment made by the company as such accounting policy on investment is not required.
- 28 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
FRN: 008744N
NEW DELHI
per K. K. Gangopadhyay
Partner
Membership no.: 013442
Place: Gurgaon
Date: May 18, 2016


Chief Financial Officer


Company Secretary


Director
Din


Director
Din

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

Punj Lloyd Solar Power Limited
Notes to financial statements for the year ended March 31, 2016
(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.



Punj Lloyd Solar Power Limited
Notes to financial statements for the year ended March 31, 2016
(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

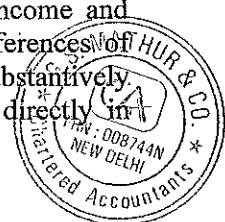
Borrowing cost includes interest, amortization of ancillary costs incurred in connection with the arrangement of borrowings.

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



Punj Lloyd Solar Power Limited
Notes to financial statements for the year ended March 31, 2016
(All amounts in INR, unless otherwise stated)

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

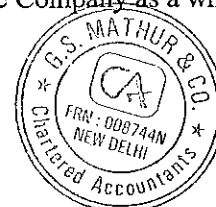
The Company's operating businesses are organized and managed separately according to the nature of products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets. The analysis of geographical segments is based on the 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, 2016
(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.

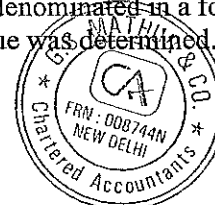
(n) Foreign currency transaction

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.



Punj Lloyd Solar Power Limited
Notes to financial statements for the year ended March 31, 2016
(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.

