INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF PL SURYA URJA LIMITED

Report on the Financial Statements

1. We have audited the accompanying financial statements of **PL Surya Urja 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

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. 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

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 31st March, 2015, and its loss and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

9. 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.

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 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 long-term contracts as at March 31, 2015 for which there are no 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 BGJC & Associates
Chartered Accountants
Firm Registration Number: 003304N

Darshan Chhajer
Partner
Membership Number: 088308

Place: New Delhi
Date: May 8, 2015

Annexure to Independent Auditors' Report

Referred to in paragraph 9 of the Independent Auditors' Report of even date to the members of **PL Surya Urja 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. (a) 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, except for dues in respect of service tax, the Company is regular in depositing the undisputed statutory dues, including income tax, duty of customs, value added tax, 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 BGJC & Associates
Chartered Accountants
Firm Registration Number: 003304N

Darshan Chhajer
Partner
Membership Number: 088308

Place: New Delhi
Date: May 08, 2015

PL Surya Urja Limited
Balance Sheet as at March 31, 2015
(All amounts in INR, unless otherwise stated)

Particular	Notes	As at March 31, 2015	As at March 31, 2014
Equity and liabilities			
Shareholders' funds			
Share capital	3	200,000,000	200,000,000
Reserves and surplus	4	(4,826,092)	(2,476,599)
		195,173,908	**197,523,401**
Non-current liabilities			
Long-term borrowings	5	1,435,175,000	-
Current liabilities			
Trade payables	6	16,425,939	197,609
Other current liabilities	7	67,507,475	13,522,293
TOTAL		**1,714,282,322**	**211,243,303**
Assets			
Non-current assets			
Fixed assets			
Tangible assets	8	1,652,125,342	-
Capital work-in-progress		-	5,938,795
		1,652,125,342	**5,938,795**
Long term Loan & Advances	9	5,590,044	204,100,000
		1,657,715,386	**210,038,795**
Current assets			
Trade receivables	10	31,333,194	-
Cash and bank balances	11	21,834,937	682,491
Short Term Loans and Advances	12	3,398,805	522,017
		56,566,936	**1,204,508**
TOTAL		**1,714,282,322**	**211,243,303**
Summary of significant accouting policies	2.1		

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

As per our report of even date.

For BGJC & ASSOCIATES
Chartered Accountants
Firm registration number: 003304N

Darshan Chhajer
Partner
Membership No.: 088308

Place: New Delhi
Date: May 08, 2015

For and on behalf of the board of directors of PL Surya Urja Limited

Priyank Jain	Rajat Seksaria	Sunil Kadoor Krishna
Chief Financial Officer	Director	Director

PL Surya Urja Limited
Statement of profit and loss for the year ended March 31, 2015
(All amounts in INR, unless otherwise stated)

Particular	Notes	Year ended March 31, 2015	Year ended March 31, 2014
Revenue			
Revenue from operations		31,888,440	-
Other income		2,669,804	-
Total Revenue (I)		**34,558,244**	**-**
Expenses			
Employee Benefits Expense	13	1,485,850	290,330
Other expenses	14	4,044,950	2,186,269
Total expenses (II)		**5,530,800**	**2,476,599**
Earning before interest,tax,depreciation and amortization (EBITDA) (I)-(II)		**29,027,444**	**(2,476,599)**
Finance costs	15	19,145,706	-
Depreciation and amortization expense	8	12,231,231	-
Surplus/(Deficit) before tax		**(2,349,493)**	**(2,476,599)**
Tax expenses			
Current tax		-	-
MAT credit entitlement		-	-
Deferred tax		-	-
Surplus/ (Deficit) for the period		**(2,349,493)**	**(2,476,599)**
Earnings per equity share [nominal value of share Rs 10]			
Basic and diluted earning per share	16	(0.12)	(0.12)
Summary of significant accouting policies	2.1		

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

As per our report of even date.

For BGJC & ASSOCIATES
Chartered Accountants
Firm registration number: 003304N

Darshan Chhajer
Partner
Membership No.: 088308

Place: New Delhi
Date: May 08, 2015

For and on behalf of the board of directors of PL Surya Urja Limited

Priyank Jain	Rajat Seksaria	Sunil Kadoor Krishna
Chief Financial Officer	Director	Director

PL Surya Urja Limited
Cash flow statement for the year ended March 31, 2015
(All amounts in INR, unless otherwise stated)

Particular	Year ended March 31, 2015	Year ended March 31, 2014
Cash flow from/ (used in) operating activities		
Loss before tax	(2,349,493)	(2,476,599)
Non-cash adjustment to reconcile profit before tax to net cash flows		
Depreciation/ amortization	12,231,231	-
Operating profit before working capital changes	**9,881,738**	**(2,476,599)**
Movement in working capital:		
Increase/ (decrease) in trade payables	16,228,330	13,719,902
Increase/ (decrease) in provisions	-	-
Decrease/ (increase) in trade receivables	(31,333,194)	
Increase/ (decrease) in other current liabilities	53,985,182	-
Cash generated from/ (used in) operations	48,762,056	11,243,303
Decrease/ (increase) in loans and advances	(2,876,788)	(522,017)
Direct taxes paid (net of refunds)	-	-
Net cash flow from/ (used in) operating activities (A)	**45,885,268**	**10,721,286**
Cash flow used in investing activities		
Purchase of fixed assets, including CWIP and capital advances	(1,658,417,778)	(210,038,795)
Net cash flow used in investing activities (B)	**(1,658,417,778)**	**(210,038,795)**
Cash flow used in financing activities		
Proceeds from long-term borrowings	1,435,175,000	-
Proceeds issue of capital	-	200,000,000
Realisation of long term loan and advances	198,509,956	-
Net cash flow used in financing activities (C)	**1,633,684,956**	**200,000,000**
Net decrease in cash and cash equivalents (A + B + C)	**21,152,446**	**682,491**
Exchange difference	-	-
Cash and cash equivalents at the beginning of the year	682,491	-
Cash and cash equivalents at the end of the year	**21,834,937**	**682,491**
Components of cash and cash equivalents		
Cash on hand	856,091	88,246
With banks		
-in Term Deposits with Scheduled Banks	-	-
- on current account	20,978,846	594,245
Total cash and cash equivalents	**21,834,937**	**682,491**

This is the cash flow statement referred to in our report of even date.

For BGJC & ASSOCIATES
Chartered Accountants
Firm registration number: 003304N

For and on behalf of the Board of Directors of PL Surya Urja Limited

Darshan Chhajer
Partner
Membership No.: 088308

Priyank Jain
Chief Financial Officer

Rajat Seksaria
Director

Sunil Kadoor Krishna
Director

Place: New Delhi
Date: May 08, 2015

PL Surya Urja 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	As at March 31, 2014
Authorized shares		
2,00,00,000 equity shares of Rs. 10 each	200,000,000	200,000,000
Issued, subscribed and fully paid-up shares		
2,00,00,000 equity shares of Rs. 10 each	200,000,000	200000000
Total	**200,000,000**	**200,000,000**

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

Equity shares

Particulars	As at March 31, 2015 Nos.	As at March 31, 2015 Amount	As at March 31, 2014 Nos.	As at March 31, 2014 Amount
At the beginning of the year	20,000,000	200,000,000	-	-
Add: Issued during the year/period	-	-	20,000,000	200,000,000
Outstanding at the end of the year/period	**20,000,000**	**200,000,000**	**20,000,000**	**200,000,000**

b. Terms/ 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	As at March 31, 2014
2,00,00,000 equity shares of Rs. 10 each	200,000,000	200,000,000

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 Nos.	As at March 31, 2015 % of Holding	As at March 31, 2014 Nos.	As at March 31, 2014 % of Holding
Punj Lloyd Infrastructure Limited *	20,000,000	100%	20,000,000	100%

* Out of the above Nos 6 shares are held by nominees of Punj Lloyd Infrastructure Limited

4. Reserves and surplus

Particulars	As at March 31, 2015	As at March 31, 2014
Deficit in the statement of profit and loss		
Balance as per last financial statements	(2,476,599)	-
Loss for the year/period	(2,349,493)	(2,476,599)
Net deficit in the statement of profit and loss	**(4,826,092)**	**(2,476,599)**
Total reserves and surplus	**(4,826,092)**	**(2,476,599)**

5. Long Term Borrowings

Particulars	Non Current Portion		Current Maturities	
	As at March 31, 2015	As at March 31, 2014	As at March 31, 2015	As at March 31, 2014
Term Loan				
Indian rupee loan from financial institutions (Secured)				
IREDA LTD	1,211,185,000	-	25,770,000	-
13.15% (previous year Nil) pre COD and 12.65% after commissioning. loan repayable in 48 Quarterily installments, beginning from 31/3/2016. The loan is secured by way of mortgage by deposit of title deed of all project immovable properties & Hypothecation of project movable assets, both existing and future.Further, the loan has been guaranteed by the corporate guarantee of Punj Lloyd Limited, the holding company.				
Amount disclosed under the head "other current liabilities" (note 6)			**(25,770,000)**	-
	1,211,185,000	-	-	-
Other loans and advances (Unsecured)				
Punj Lloyd Infrastructure Ltd. (the Holding Company)	223,990,000	-	-	-
Total	**1,435,175,000**	-	-	-

6. Trade payables (including acceptances)

Particulars	As at March 31, 2015	As at March 31, 2014
MSMEs *	-	-
Others	16,425,939	197,609
Total	**16,425,939**	**197,609**

*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.

7. Other current liabilities

Particulars	As at March 31, 2015	As at March 31, 2014
Current maturities of long-term borrowings (note 5)	25,770,000	-
Due to Holding Co	837,250	9,239,014
Retention money payable to EPC contractor (Punj Lloyd Ltd Ultimate Holding Co)	39,364,322	-
Others	1,535,903	4,283,279
Total	**67,507,475**	**13,522,293**

8. Fixed assets : Tangible assets

Particulars	Plant and equipment	Office Equipments	Total
Cost			
At April 01, 2014	-	-	-
Additions during the year	1,664,344,673	11,900	1,664,356,573
Disposals during the year	-	-	-
As at March 31, 2015	**1,664,344,673**	**11,900**	**1,664,356,573**
Depreciation			
At April 01, 2014	-	-	-
Charge for the year	12,228,601	2,630	12,231,231
Disposal during the year	-	-	-
As at March 31, 2015	**12,228,601**	**2,630**	**12,231,231**
Net block			
As at March 31, 2014	-	-	-
As at March 31, 2015	**1,652,116,072**	**9,270**	**1,652,125,342**

9. Long terms loan & advances

Particulars	As at March 31, 2015	As at March 31, 2014
Capital advances		
(Unsecured, Considered good)		
Mobilization advance to related party	-	204,100,000
Security Deposit Land	5,590,044	-
Total	**5,590,044**	**204,100,000**

10. Trade receviables

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		
unsecured, considered good	31,333,194	-
Total	**31,333,194**	**-**

11. Cash and bank balances

Particulars	As at March 31, 2015	As at March 31, 2014
Cash on hand	856,091	88,246
Balances with banks:		
On current accounts	20,978,846	594,245
Total	**21,834,937**	**682,491**

12. Short term Loans and Advances

Particulars	As at March 31, 2015	As at March 31, 2014
Amount Recoverable in Cash or in Kind	489,554	-
Prepaid expenses	2,642,270	522,017
TDS Recoverable	266,981	-
Total	**3,398,805**	**522,017**

13. Employee benefit expenses

Particulars	Year ended March 31, 2015	Year ended March 31, 2014
Salaries, wages and bonus	1,383,322	290,330
Staff welfare expenses	102,528	-
Total	**1,485,850**	**290,330**

14. Other expenses

Particulars	Year ended March 31, 2015	Year ended March 31, 2014
Travelling and conveyance	1,041,292	574,565
Rates and taxes	279,169	1,158,436
Office expenses	55,977	4,403
Rent	711,481	-
Operation and Maintainence charges	979,587	-
Preliminary Expenses	-	21,200
Insurance	14,799	-
Site Expenses	805,290	63,000
Consultancy and professional charges	101,175	342,193
Payment to auditors (refer note below)	56,180	22,472
Total	**4,044,950**	**2,186,269**

Payments to auditors:

As auditor:		
Audit Fee	56,180	22,472
Total	**56,180**	**22,472**

15. Finance costs

Particulars	Year ended March 31, 2015	Year ended March 31, 2014
Interest expense	19,144,068	-
Bank charges	1,638	-
Total	**19,145,706**	**-**

16. Earnings Per Share

Basic and diluted earnings

Particular	As at March 31, 2015	As at 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	-	-
Equity shares at the end of the year	20,000,000	20,000,000
Weighted average number of equity shares outstanding during the period	20,000,000	20,000,000
b) Net loss after tax available for equity share holders (Rs.)	(2,349,493)	(2,476,599)
c) Basic and diluted (loss)/earnings per share	(0.12)	(0.12)
d) Nominal value of share (Rs.)	10.00	10.00

17. Segment Reporting

Business Segment:

The Company's business activity falls within a single business segment . 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.

18. 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
Fellow subsidiaries	Punj Lloyd Solar Power Limited Khagaria Purnea Highway Project Limited Indraprastha Metropolitan Development Limited PL Sunshine 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

C. Key management personnel

Luv Chhabra	Director
Dinesh Thairani	Director
Rajat Vijay Seksaria	Director
Sunil Kadoor Krishna	Director
Gautam Das	Manager
Priyank Jain	CFO

* Related party relationship identified by the mangement and relied by the auditor.

Related Party Transactions

Particulars	**Holding company**		**Ultimate holding company**	
	March 31, 2015	**March 31, 2014**	**March 31, 2015**	**March 31, 2014**
Capital advance given	-	-	-	204,100,000
EPC Contractor Fees	-	-	1,574,572,884	-
Balance outstanding as at end of the year Receivable/(payable)				
Punj Lloyd Infrastructure Ltd.	224,827,250	(9,239,014)	-	-
Punj Lloyd Limited	-	-	(55,240,520)	-

19. Borrowing Costs

Following borrowing costs have been capitalised during the period:

Particulars	**Year ended March 31, 2015**	**Year ended March 31, 2014**
Interest	38,820,052	-
Rating expenses related to borrowings	-	786,520
Bank Charges & Other Borrowings costs	10,121,157	152,275
Total	**48,941,209**	**938,795**

20. Capital work in progress includes folloiwng:

Particulars	**Year ended March 31, 2015**	**Year ended March 31, 2014**
Borrowing Costs	-	786,520
Consultancy Expenses / Fees & Taxes	-	5,000,000
Total	**-**	**5,786,520**

21. Leases

Operating lease

The company has taken land under operating lease agreements. These are generally cancellable leases and are renewable by mutual consent on mutually agreed terms with or without rental escalations.

The breakup of the future minimum lease payments outstanding as at reporting date is as under:

(INR Lacs)

Particulars	**Year ended March 31, 2015**
Not later than one year	38.98
Later than one year and not later than five years	249.25
Later than five years	3,355.40

22. The Company was incorporated on September 3, 2013 and commenced its commercial production w.e.f 14 February, 2015. Accordingly the previous years figures are not comparable.

23. Due to lack of virtual certainty on sufficient future taxable income, the management, as a matter of prudence, has not recognised deferred tax asset on unabsorbed depreciation and carry forward losses.

24. Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) Rs. Nil (previous year - Rs. 138,13,50,000/-)

25. Provision has been made for Service Tax under reverse charge and will be paid after getting Service Tax registration, which is under process.

26. 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.

27. Balances of sundry Trade payables and loans & advances are subject to balance confirmation and reconciliation.

28. Additional information are either nil or not applicable.

As per our report of even date

For BGJC & ASSOCIATES
Chartered Accountants
Firm registration number: 003304N

Darshan Chhajer
Partner
Membership No.: 088308
Place: New Delhi
Date: May 08, 2015

For and on behalf of Board of Directors of PL Surya Urja Limited

Priyank Jain	Rajat Seksaria	Sunil Kadoor Krishna
Chief Financial Officer	Director	Director

1. Corporate Information

P L Surya Urja Limited was incorporated and registered on September 03, 2013 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 provisions of the Companies Act 2013 ("the Act") and the rules made there under and recognized accounting policies and practices including applicable accounting standards referred to in section 133 of the Companies Act 2013. The financial statements have been prepared on an accrual basis and under the historical cost convention.

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.

(c) Depreciation on tangible assets

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.

(d) Preoperative Expenditure pending allocation

Expenditure directly relating to construction activity is capitalized. Indirect expenditure incurred during construction period is capitalized as part of indirect construction cost to the extent to which the expenditure is indirectly related to the construction or is incidental thereto. Other indirect expenditure (including borrowing cost) incurred during the construction period, which is not related to the construction activity nor is incidental thereto, is charged to the statement of profit and loss.

All direct capital expenditure on expansion are capitalised. As regards indirect expenditure on expansion, only that portion is capitalised which represents the marginal increase in such expenditure involved as a result of capital expansion. Both direct and indirect expenditure are capitalised only if they increase the value of the asset beyond its original standard of performance.

(e) Impairment of tangible assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) net selling price and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

The Company bases its impairment calculation on detailed budgets and forecast calculations which are prepared separately for each of the Company's cash-generating units to which the individual assets are allocated. These budgets and forecast calculations are generally covering a period of five years. For longer periods, a long term growth rate is calculated and applied to project future cash flows after the fifth year.

After impairment, depreciation/amortization is provided on the revised carrying amount of the asset over its remaining useful life.

(f) **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.

(g) 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.

(h) 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. 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 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.

(i) 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.

(j) 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.

(k) 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.

(l) 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.

(m) Leases

Operating Leases
Assets acquired on leases where a significant portion of risks and rewards of ownership are retained by the lessor are classified as operating leases. Lease rentals are charged to Pre-operative expenses on accrual basis.

Finance Leases
Assets acquired under leases where the Company has substantially all the risks and rewards of ownership are classified as finance leases. Such assets are capitalised at the inception of the lease at the lower of the fair value or the present value of minimum lease payments and a liability is created for an equivalent amount.

Each lease rental paid is allocated between the liability and the interest cost, so as to obtain a constant periodic rate of interest on the outstanding liability for each period.

(n) 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.

(o) Contingent Assets

Contingent assets are neither recognized nor disclosed in the financial statement.