

# **S. C. KWATRA & CO.**

## **CHARTERED ACCOUNTANTS**

303-A, SASCO BHAWAN, AZADPUR COMMERCIAL COMPLEX,  
DELHI- 110 033 INDIA

PH.: 27676375, 27672646 FAX: 91-11-27676375

### **INDEPENDENT AUDITOR'S REPORT**

#### **TO THE MEMBERS OF MOSER BAER SOLARSYSTEMS PRIVATE LIMITED**

##### **Report on the Financial Statements**

We have audited the accompanying financial statements of **Moser Baer SolarSystemsPrivate Limited** ("the Company") which comprise the Balance Sheet as at March 31, 2016, the Statement of Profit and Loss and Cash Flow Statement for the fifteenmonthperiodthen ended, and a summary of significant accounting policies and other explanatory information.

##### **Management's Responsibility for the Financial Statements**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, 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**

Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2016, and its loss and its cash flows for the period ended on that date.

### **Emphasis of Matter**

a) We draw attention to Note 24 of the financial statements. The Company has accumulated losses and is currently dependent upon the financial support and assistance by its parent company Moser Baer Solar Limited. These conditions indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. Our opinion is not qualified in respect of this matter.

b) We draw attention to Note 25 to the financial statement with respect to management's assessment of recoverability of advances to Helios Photo Voltaic Limited amounting to Rs.22,600,000. The recoverability of these amounts is dependent on various factors as set out in the said note, which are significantly uncertain. Our opinion is not qualified in respect of this matter.

### **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditors' Report) Order, 2015 ("the Order"), 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 statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143 (3) of the Act, we report that :
  - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the 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 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 March 31, 2016, and 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 other matters to be included in the Auditors' 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 no pending litigations, which could have any impact on its financial position in its financial statements;
- 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 required to be transferred, to the Investor Education and Protection Fund by the Company.

For S.C. Kwatra & Co.  
Chartered Accountants  
Firm's registration No. 004232N

Sd/-

Place: Delhi  
Date: 25 May 2016

M.M. Kwatra  
Partner  
(Membership No.083756)

# **S. C. KWATRA & CO.**

## **CHARTERED ACCOUNTANTS**

303-A, SASCO BHAWAN, AZADPUR COMMERCIAL COMPLEX,  
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### **MOSER BAER SOLAR SYSTEMS PRIVATE LIMITED**

### **ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT**

Annexure referred to in paragraph `1' under 'Report on Other Legal and Regulatory Requirements' section of our Report of even date.

- (i) (a) The company has maintained 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 period and no material discrepancies were noticed in such verification. In our opinion, the frequency of verification of fixed assets is reasonable having regard to the size of the Company and the nature of its business.
- (ii) The Company does not have any inventory; therefore the provisions of clause 3(ii) of the Order are not applicable.
- (iii) (a) According to the information and explanations given to us, the Company has granted interest free unsecured loans to a party covered in the register maintained under section 189 of the Act.  
  
(b) In respect of loan granted, as referred to in paragraph 3 (iii) (a) above, the principal amounts are repayable on demand/there is no repayment schedule and since the repayment of such loans has not been recalled during the year, in our opinion, receipt of the principal amount is regular.  
  
(c) There is no overdue amount in respect of loans granted as referred to in paragraph 3 (iii) (a) above in view of our comments in (b) above.
- (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 with regard to the sale of services. There has not been any purchase of fixed assets or sale of goods during the year. During the course of our audit, we have not observed any major weakness in such internal control system.
- (v) According to the information and explanations given to us, the Company has not accepted any deposits during the year. Accordingly, clause 3(v) of the Order is not applicable.
- (vi) To the best of our knowledge and belief, the Central Government has not specified maintenance of cost record under sub-section (1) of Section 148 of the Act, in respect of Company's products/services. Accordingly, the provisions of clause 3(vi) of the Order are not applicable.
- (vii) (a) The Company is regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, custom

- duty, excise duty, cess and other material statutory dues, as applicable, with the appropriate authorities. Further, no undisputed amounts payable in respect thereof were outstanding at the period-end for the period of more than six months from the date they become payable.
- (b) There are no dues in respect of income tax, sales tax, wealth tax, service tax, custom duty, excise duty or cess that have not been deposited with appropriate authorities on account of any dispute.
- (c) In our opinion and according to the information and explanations given to us, no amount is required to be transferred to investor education and protection fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made thereunder.
- (viii) The accumulated losses of the Company at the end of the financial period are less than 50% of its net worth. *The company has incurred cash losses in the current financial period and in the immediately preceding financial period.*
- (ix) The Company has no dues payable to a financial institution or a bank or debenture holders during the period.
- (x) 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.
- (xi) The Company has not raised any term loans during the period.
- (xii) To the best of our knowledge and according to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the period ended March 31, 2016.

For S.C. Kwatra & Co.  
Chartered Accountants  
Firm's registration No. 004232N

Sd/-

Place: Delhi  
Date: 25 May 2016

M.M. Kwatra  
Partner  
(Membership No.083756)



**Moser Baer Solar Systems Private Limited**

(Formerly known as Arise Solar Energy Private Limited)

**Statement of profit and loss for Period ended March 31, 2016**

(All amounts in rupees unless otherwise stated)

	Notes	Period ended March 31, 2016 (Rs.)	Year ended December 31, 2014 (Rs.)
<b>INCOME</b>			
Revenue from operations	15	311,120	4,528,479
Other income		81,986	33,678
<b>Total revenue</b>		<b>393,106</b>	<b>4,562,157</b>
<b>EXPENSES</b>			
Operation and Maintenance services (including prior period expenses of Rs. 308,094/- (Previous year Rs. NIL))		572,546	3,686,365
Employee benefit expense	16	1,525	84
Depreciation and amortisation	9	588,173	362,199
Other expenses (including prior period expenses of Rs. 43,800/- (Previous year Rs. NIL))	17	387,428	1,250,136
<b>Total expenses</b>		<b>1,549,672</b>	<b>5,298,784</b>
<b>Profit / (Loss) before tax</b>		<b>(1,156,566)</b>	<b>(736,627)</b>
Tax expense:			
Current tax		-	-
Excess tax provision of earlier year		238,363	-
<b>Profit / (Loss) for the period</b>		<b>(918,203)</b>	<b>(736,627)</b>
<b>Earnings per equity share:</b>	19		
Basic and diluted		(36.01)	(28.89)

The accompanying notes 1 to 27 are an integral part of the financial statements.

This is the statement of profit and loss referred to in our report of even date.

**For S.C. KWATRA & Co.**

Chartered Accountants

Firm Registration No: 004232N

Sd/-

**M. M. KWATRA**

Partner

Membership Number-083756

Place: New Delhi

Date: 25 May 2016

For and on behalf of the board of directors of  
**Moser Baer Solar Systems Private Limited.**

Sd/-

**Deepak Puri**

Director

DIN - 00002189

Sd/-

**Nita Puri**

Director

DIN - 00002331

**Moser Baer Solar Systems Private Limited**  
(Formerly known as Arise Solar Energy Private Limited)  
**Cash flow statement for the Period ended March 31, 2016**  
(All amounts in rupees unless otherwise stated)

	Period ended March 31, 2016 (Rs.)	Year ended December 31, 2014 (Rs.)
<b>Cash flow from operating activities:</b>		
Net Profit/(loss) before tax	(1,156,566)	(736,627)
<b>Adjustments for:</b>		
Depreciation and amortisation	588,173	362,199
<b>Operating profit / (loss) before working capital changes</b>	<b>(568,393)</b>	<b>(374,428)</b>
<b>Adjustment for changes in working capital:</b>		
(Increase)/ decrease in trade receivables, loans and advances and other current assets	12,608,242	699,343
Increase/ (decrease) in trade and other payables	(13,345,224)	1,491,463
<b>Net cash (used in) operating activities (A)</b>	<b>(1,305,375)</b>	<b>1,816,378</b>
<b>Cash flow from investing activities (B)</b>	-	-
<b>Cash flow from financing activities (C)</b>	-	-
Increase/ (decrease) in cash and cash equivalents (A+B+C)	(1,305,375)	1,816,378
Cash and cash equivalents at beginning of the period	3,119,185	1,302,807
<b>Cash and cash equivalents at end of the period</b>	<b>1,813,810</b>	<b>3,119,185</b>
<b>Components of cash and cash equivalents</b>		
Balance with scheduled banks on current accounts	1,813,810	3,119,185
<b>Cash and cash equivalents at end of the period</b>	<b>1,813,810</b>	<b>3,119,185</b>

Notes:

1. The above Cash flow statement has been prepared under the indirect method set out in AS-3 (Revised).
2. Figures in brackets indicate cash outflow.

The accompanying notes 1 to 27 are an integral part of the financial statements.  
This is the cash flow statement referred to in our report of even date.

**For S.C. KWATRA & Co.**  
Chartered Accountants  
Firm Registration No: 004232N

Sd/-  
**M. M. KWATRA**  
Partner  
Membership Number-083756

Place: New Delhi  
Date: 25 May 2016

For and on behalf of the board of directors of  
**Moser Baer Solar Systems Private Limited.**

Sd/-  
**Deepak Puri**  
Director  
DIN - 00002189

Sd/-  
**Nita Puri**  
Director  
DIN - 00002331



## Significant accounting policies

### 1 METHOD OF ACCOUNTING

The financial statements have been prepared and presented under the historical cost convention on the accrual basis of accounting, unless stated otherwise and comply in all material aspects with the Accounting Standards ('AS') notified under section 133 of the Companies Act, 2013, read together with rule 7 of the Companies (Accounts) Rules, 2014 and other accounting principles generally accepted in India.

### 2 USE OF ESTIMATES

The preparation of financial statements requires the management of the Company to make estimates and assumptions that affect the reported balances of assets and liabilities and disclosures relating to the contingent liabilities as at the date of the financial statements and reported amounts of income and expenses during the period. Example of such estimates include provision for income taxes.

### 3.1 REVENUE RECOGNITION

Revenue from sale of goods is recognised on transfer of significant risk and reward of the ownership to the customer and when no significant uncertainty exists regarding realisation of the consideration. Sales are recorded net of sales return, rebates, trade discounts, price difference and liquidated damages, if any.

Revenue in respect of construction contracts, which extend beyond an accounting period and where the outcome can be reliably estimated, is recognised on 'percentage of completion method' by calculating the portion that cost incurred up to the reporting date bear to the latest estimated costs of each contract. In other cases, revenue is recognised only to the extent of contract costs incurred of which recovery is probable.

Income from other services is recognised as and when services are rendered.

Provision for foreseeable losses on contracts is made, based on estimates of management.

Interest is accounted for based on a time proportion basis taking in to account the amount invested and the rate of interest.

### 3.2 FIXED ASSETS

#### (i) Tangible assets

Tangible fixed assets are stated at cost less accumulated depreciation. Cost includes all expenses, direct and indirect, specifically attributable to its acquisition and bringing the asset to its working condition for its intended use.

Incidental expenditure pending allocation and attributable to the acquisition of fixed assets is allocated/ capitalised with the related fixed assets.

#### (ii) Intangible assets

Intangible assets are stated at cost less accumulated amortisation.

### 3.3 DEPRECIATION

#### (i) Tangible assets

Depreciation on tangible fixed assets is provided under straight-line method based on useful life of the assets as prescribed in Schedule II to the Companies Act, 2013.

Depreciation on additions is being provided on pro-rata basis from the date of such additions. Similarly, depreciation on assets sold/disposed off during the period is being provided up to the date on which such assets are sold/disposed off. All assets costing Rs. 5,000 or less are fully depreciated in the period of purchase.

#### (ii) Intangible assets

Intangible assets are being amortised on a straight line basis over the useful life, not exceeding 5 years, as estimated by management to be the economic life of the asset over which economic benefits are expected to flow.

### 3.4 EMPLOYEE BENEFITS

#### (i) Provident fund and Employees' state insurance

The Company makes contribution to statutory provident fund in accordance with Employees Provident Fund and Miscellaneous Provisions Act, 1952 which is a defined contribution plan. These funds are administered through Regional Provident Fund Commissioner and contribution paid or payable is recognised as an expense in the period in which the services are rendered by the employee. The Company has no legal or constructive obligation to pay further contributions after payment of the fixed contribution.

The Company's contribution to state plans namely Employee's State Insurance Fund and Employee's Pension Scheme 1995 is recognised as an expense in the period in which the services are rendered by the employee.

### **Significant accounting policies**

#### *(ii) Gratuity*

Gratuity is a post employment benefit and is in the nature of defined benefit plan. The liability recognised in the balance sheet in respect of gratuity is the present value of the defined benefit obligation as at the balance sheet date less the fair value of plan assets. Gratuity fund is administered through Life Insurance Corporation of India. The defined benefit obligation is calculated at the balance sheet date on the basis of actuarial valuation by an independent actuary using projected unit credit method. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are recorded in the statement of profit and loss in the period in which such gains or losses arise.

#### *(iii) Unavailed leaves*

The Company also provides benefit of compensated absences to its employees which are in the nature of long term benefit plan. The compensated absences comprise of vesting as well as non vesting benefit. Liability in respect of compensated absences becoming due and expected to be availed within one year from the balance sheet date is recognised on the basis of undiscounted value of estimated amount required to be paid or estimated value of benefits expected to be availed by the employees. Liability in respect of compensated absences becoming due and expected to be availed more than one year after the balance sheet date is estimated on the basis of an actuarial valuation performed by an independent actuary using the projected unit credit method as on the reporting date.

#### *(iv) Other benefits*

Liability for long term employee retention schemes is determined on the basis of actuarial valuation at the period end.

Actuarial gains and losses comprise experience adjustments and the effects of changes in actuarial assumptions and are recognised in the statement of profit and loss as income or expense in the period in which such gains or losses arise.

### **3.5 BORROWING COSTS**

Borrowing costs directly attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of assets till the date of commencement of commercial use of the asset. All other borrowing costs are charged to the statement of profit and loss.

### **3.6 TAXATION**

#### **Current Tax:**

Provision is made for current income tax liability based on the applicable provisions of the Income Tax Act, 1961 for the income chargeable under the said Act.

#### **Deferred Tax:**

Deferred tax assets (DTA) and liabilities are computed on the timing differences at the balance sheet date between the carrying amount of assets and liabilities and their respective tax bases. DTA is recognised based on management estimates of reasonable/ virtual certainty as the case may be, that sufficient future taxable income will be available against which such DTA can be realised. The deferred tax charge or credit is recognised using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date.

### **3.7 PROVISION AND CONTINGENT LIABILITY**

The Company creates a provision when there is a present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

### **3.8 EARNINGS PER SHARE**

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares, except where results would be anti-dilutive.

**Moser Baer Solar Systems Private Limited**  
(Formerly known as Arise Solar Energy Private Limited)  
**Notes to financial statements for Period ended 31 March 2016**  
(All amounts in rupees unless otherwise stated)

**4 Share capital**

	As at March 31, 2016	As at March 31, 2016	As at December 31, 2014	As at December 31, 2014
	( Number )	(Rs.)	( Number )	(Rs.)
<b>Authorised shares</b>				
50,000 (previous year 50,000) equity shares of Rs. 10 each	50,000	500,000	50,000	500,000
<b>Issued, Subscribed and Fully Paid up</b>				
25,500 (previous year 25,500) equity shares of Rs. 10 each fully paid up	25,500	255,000	25,500	255,000
<b>Total Issued, Subscribed and Fully Paid up</b>	<b>25,500</b>	<b>255,000</b>	<b>25,500</b>	<b>255,000</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 share is entitled to one vote per share.

**Reconciliation of the number of shares outstanding**

	As at March 31, 2016	As at March 31, 2016	As at December 31, 2014	As at December 31, 2014
	( Number )	(Rs.)	( Number )	(Rs.)
Shares outstanding at the beginning of the period	25,500	255,000	25,500	255,000
Shares issued during the period	-	-	-	-
<b>Shares outstanding at the end of the period</b>	<b>25,500</b>	<b>255,000</b>	<b>25,500</b>	<b>255,000</b>

	As at March 31, 2016	As at March 31, 2016	As at December 31, 2014	As at December 31, 2014
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
<b>Shareholders holding more than 5 % of share capital</b>				
<b>Name of share holder</b>				
Moser Baer Solar Limited	25,500	100%	25,500	100%
The Ultimate Holding Company is Moser Baer India Limited.				
			As at March 31, 2016 (Rs.)	As at December 31, 2014 (Rs.)

**5 Reserves and surplus**

**Securities premium account**

Opening balance	38,595,000	38,595,000
Additions during the period	-	-
<b>Closing Balance</b>	<b>38,595,000</b>	<b>38,595,000</b>

**Surplus/(deficit) in the statement of profit or loss**

Opening balance	(8,677,511)	(7,940,884)
Less: Adjustment on account of Depreciation (refer note-22)	(420,701)	-
Less / (Add): Profit / (Loss) for the period	(918,203)	(736,627)
<b>Closing Balance</b>	<b>(10,016,415)</b>	<b>(8,677,511)</b>
<b>Total</b>	<b>28,578,585</b>	<b>29,917,489</b>

**Moser Baer Solar Systems Private Limited**

(Formerly known as Arise Solar Energy Private Limited)

**Notes to financial statements for Period ended 31 March 2016**

(All amounts in rupees unless otherwise stated)

	As at March 31, 2016 (Rs.)	As at December 31, 2014 (Rs.)
<b>6 Trade payables</b>		
Payable to others	7,207,768	20,407,093
	<b>7,207,768</b>	<b>20,407,093</b>
<b>7 Other current liabilities</b>		
Income received in advance	15,154	15,154
Others		
Capital creditors	595,963	799,225
Statutory dues	3,530	7
Others	92,086	38,246
	<b>706,733</b>	<b>852,632</b>
<b>8 Short term provisions</b>		
Provision for taxation	-	238,363
	<b>-</b>	<b>238,363</b>
<b>10 Long term loans and advances</b>		
(Unsecured, considered good, unless otherwise stated)		
Security deposits	360,000	340,000
Prepaid taxes	135,467	94,436
Advance to related party	272,499	9,955,841
	<b>767,966</b>	<b>10,390,277</b>
<b>11 Trade receivables</b>		
Trade receivables outstanding for a period exceeding six months from the date they are due for payment		
Unsecured, considered good	9,900,572	9,057,949
Others		
Unsecured, considered good	-	1,086,961
	<b>9,900,572</b>	<b>10,144,910</b>
<b>12 Cash and bank balances</b>		
Cash and cash equivalents		
Bank Balances		
In current accounts	1,813,810	3,119,185
	<b>1,813,810</b>	<b>3,119,185</b>
<b>13 Short- term loans and advances</b>		
<b>Loans and advances to related parties</b>		
(Unsecured, considered good)		
Loan to a related party	22,600,000	22,600,000
Other advances	-	1,110,257
Others		
(Unsecured, considered good)		
Security deposits	-	20,000
Balance with government authorities	738,283	808,321
Advances to employees	190,865	235,255
	<b>23,529,148</b>	<b>24,773,833</b>
Short term loan to related party - Moser Baer Photovoltaic Limited carries interest rate of NIL.		
<b>14 Other current assets</b>		
Interest accrued on security deposits	73,520	25,787
Unbilled revenue	-	1,544,641
	<b>73,520</b>	<b>1,570,428</b>

**Moser Baer Solar Systems Private Limited**

(Formerly known as Arise Solar Energy Private Limited)

**Notes to financial statements for Period ended 31 March 2016**

(All amounts in rupees unless otherwise stated)

**Note 9 : Fixed Assets**

Fixed Assets	Gross Block			Accumulated Depreciation and amortisation			Net Block		
	Balance as at Jan 1, 2015	Additions	Balance as at March 31, 2016	Balance as at Jan 1, 2015	Charge for the period	Adjustment*	Balance as at March 31, 2016	Balance as at March 31, 2016	Balance as at December 31, 2014
<b>Tangible Assets</b>									
Plant and Equipment	401,913	-	401,913	115,953	27,955		143,908	258,005	285,960
Furniture and Fixtures	513,260	-	513,260	96,380	69,496		165,876	347,384	416,880
Office equipment	117,956	-	117,956	17,211	65,485		82,696	35,260	100,745
Computer Equipment	1,591,635	-	1,591,635	776,370	394,564	420,701	1,591,635	0	815,265
<b>Total</b>	<b>2,624,764</b>	<b>-</b>	<b>2,624,764</b>	<b>1,005,914</b>	<b>557,500</b>	<b>420,701</b>	<b>1,984,115</b>	<b>640,649</b>	<b>1,618,850</b>
<b>Intangible Assets</b>									
Computer software	122,740	-	122,740	69,646	30,673	-	100,319	22,421	53,094
<b>Total</b>	<b>122,740</b>	<b>-</b>	<b>122,740</b>	<b>69,646</b>	<b>30,673</b>	<b>-</b>	<b>100,319</b>	<b>22,421</b>	<b>53,094</b>
<b>Grand Total</b>	<b>2,747,504</b>	<b>-</b>	<b>2,747,504</b>	<b>1,075,560</b>	<b>588,173</b>	<b>420,701</b>	<b>2,084,434</b>	<b>663,070</b>	<b>1,671,944</b>
<i>Previous year</i>	<i>2,747,504</i>	<i>-</i>	<i>2,747,504</i>	<i>713,361</i>	<i>362,199</i>		<i>1,075,560</i>	<i>1,671,944</i>	<i>2,034,143</i>

\* Note - Adjusted from retained earnings pursuant to Schedule II of Companies Act, 2013.

**Moser Baer Solar Systems Private Limited**

(Formerly known as Arise Solar Energy Private Limited)

**Notes to financial statements for Period ended 31 March 2016**

(All amounts in rupees unless otherwise stated)

	Period ended March 31, 2016 (Rs.)	Year ended December 31, 2014 (Rs.)
<b>15 Revenue from operations</b>		
Sale of services	311,120	4,528,479
	<b>311,120</b>	<b>4,528,479</b>

**(a) Details of sale of services are as follows:**

Particulars	Period ended March 31, 2016 (Rs.)	Year ended December 31, 2014 (Rs.)
Operation and Maintenance services	311,120	4,528,479
	<b>311,120</b>	<b>4,528,479</b>

<b>16 Employee benefits expense</b>		
Contributions to provident and other funds	1,525	84
	<b>1,525</b>	<b>84</b>
<b>17 Other expenses</b>		
Rates and taxes, excluding, taxes on income	6,620	6,854
Remuneration to auditors:		
For Audit fees	43,625	30,000
Legal and professional	60,900	12,806
Bad debts/Advances written off	81,257	1,198,000
Penalty & Interest	194,746	-
Bank Charges	280	2,476
	<b>387,428</b>	<b>1,250,136</b>

18 The Company has carried out its tax computation in accordance with Accounting Standard 22 'Accounting for Taxes on Income'. In the absence of reasonable certainty of future taxable profits under the Income Tax Act, 1961, deferred tax asset has not been recognised by the Company.

**19 Earnings Per Share (EPS)**

	Period ended March 31, 2016 (Rs.) (Number)	Year ended December 31, 2014 (Rs.) (Number)
(A) Calculation of weighted average number of equity shares		
Total number of equity shares at the beginning of the period	25,500	25,500
Total number of equity shares issued during the period	-	-
Total number of equity shares outstanding at the end of the period	25,500	25,500
<b>Weighted average number of equity shares outstanding during the period</b>	<b>25,500</b>	<b>25,500</b>
(B) Net Profit/ (loss) after tax available for equity share holders	(918,203)	(736,627)
Basic and diluted earnings per share (face value per share Rs. 10 each)	<b>(36.01)</b>	<b>(28.89)</b>

**20 Segment information**

As the Company's business is organised as a single segment namely "Photovoltaic Products" forming part of the "Solar" business, there are no reportable segments within the meaning of AS-17 'Segment Reporting'. The Company only operates in India and therefore does not have any other geographical segments.

**Moser Baer Solar Systems Private Limited**

(Formerly known as Arise Solar Energy Private Limited)

**Notes to financial statements for Period ended 31 March 2016**

(All amounts in rupees unless otherwise stated)

**21 Related party transactions:**

In accordance with the requirements of Accounting Standard - 18 'Related Party Disclosures' the names of the related party where control/ability to exercise significant influence exists, along with the aggregate amount of transactions and period end balances with them as identified and certified by the management are given below:

**List of related parties where control exists:-**

<b>Name of the related party</b>	<b>Nature of relationship</b>
Moser Baer India Limited	Ultimate holding company
Photovoltaic Holdings Limited (formerly known as Photovoltaic Holdings Plc.)	Intermediate holding company
MB Solar Holdings Limited (formerly known as Moser Baer Solar PLC)	Intermediate holding company
Moser Baer Solar Limited (Formerly Photovoltaic Technologies India Ltd)	Holding Company
Helios Photo Voltaic Limited (formerly known as Moser Baer Photo Voltaic Limited)	Fellow subsidiary
Perafly Limited	Fellow subsidiary
Nicofly Limited	Fellow subsidiary
Value Solar Energy Private Limited	Fellow subsidiary
Pride Solar Systems Private Limited	Fellow subsidiary
Admire Energy Solutions Private Limited	Fellow subsidiary
Competent Solar Energy Private Limited	Fellow subsidiary
TIFTON Limited	
Moser Baer Photovoltaic Inc. USA	Fellow subsidiary
Moser Baer Infrastructure and Developers Limited	Fellow subsidiary
European Optic Media Technology GmbH	Fellow subsidiary
Moser Baer Distribution Limited (formerly known as Moser Baer SEZ Developer Limited)	Fellow subsidiary
Solar Research Limited	Fellow subsidiary
Moser Baer Laboratories Limited	Fellow subsidiary
Moser Baer Entertainment Limited	Fellow subsidiary
Moser Baer Investments Limited	Fellow subsidiary
Peraround Limited	Fellow subsidiary
Advoferm Limited	Fellow subsidiary
Cubic Technologies BV*	Fellow subsidiary
OM & T B.V.**	Fellow subsidiary
Moser Baer Technologies Inc.***	Fellow subsidiary

\* Dissolved on 21 December 2015.

\*\* Declared as insolvent from October 1,2013.

\*\*\* Dissolved on 22 April 2015.

**Key management personnel (KMP)**

Director Mr. Deepak Puri  
 Director Ms. Nita Puri

\* The Key Managerial Personnel do not draw any remuneration from the Company.

**Details of transactions with the related parties during the period in ordinary course of business along with period end balances are as follows:-**

(figures in brackets are for the previous year)

	<b>Moser Baer Solar Limited</b>	<b>Helios Photo Voltaic Limited</b>	<b>Moser Baer India Limited</b>	<b>Total</b>
Services received from related party	2,240,342 (4,961,433)	- -	- -	2,240,342 (4,961,433)
Expenses incurred/ payment made by related party on behalf of the Company	119,955 (349,187)	425 -	5,620 (6,544)	126,000 (355,731)
Payment received by company on behalf of related party	- (-)	145,000 (-)	- (-)	145,000 -
Payment received by related party on behalf of company	1,008,472 (-)	- (-)	- (-)	1,008,472 -
<b>Outstanding payable</b>				
In respect of expenses / services received / payment made by related party	843 (8,469,592)	160,579 (15,154)	2,004,263 (1,998,643)	2,165,685 (10,483,389)
<b>Outstanding receivable</b>				
In respect of advance / loans given /payment received on behalf of company	1,280,971 (11,066,098)	22,600,000 (22,600,000)	- -	23,880,971 (33,666,098)
* Expenses accrued but not billed by related party are considered once billed.				

**Moser Baer Solar Systems Private Limited**

(Formerly known as Arise Solar Energy Private Limited)

**Notes to financial statements for Period ended 31 March 2016**

(All amounts in rupees unless otherwise stated)

- 22 Pursuant to the enactment of the Companies Act 2013, w.e.f 1 January 2015, the Company has applied the estimated useful lives as specified in Schedule II as disclosed in accounting policy on depreciation and amortisation. Accordingly the unamortised carrying value is being depreciated/ amortised over the revised/remaining useful lives. Consequently, the depreciation for the period ended 31 March 2016 is higher to the extent of ₹ 285,831. Further an amount of ₹ 420,701 representing the carrying amount of the assets with revised useful life as Nil, have been adjusted in the opening balance of statement of profit and loss.
- 23 Based on the information available with the Company, as at March ' 31 2016, there are no dues to Micro and Small Enterprises as defined in the Micro, Small and Medium Enterprises Development Act, 2006
- 24 The company is presently dependent upon financial support from its parent company Moser Baer Solar Limited (MBSL). In view of the financial support provided by the parent company, management is of the opinion that it is appropriate to prepare accounts on a going concern basis. Accordingly, the financial statements continue to be prepared on a going concern basis and do not include any adjustments relating to the recoverability and classification of recorded asset amount and the classification of liabilities that might be necessary should the company be unable to continue as a going concern.
- 25 The company has advances aggregating to Rs.22,600,000 in a fellow subsidiary - Helios Photo Voltaic Limited (HPVL) (formerly known as Moser Baer Photovoltaic Limited). The management of HPVL has internally performed the detailed assessment, using valuations as of March 31, 2016. The aforementioned business valuation has been done using the discounted cash flows method with significant underlying assumptions, including acceptance of revised restructuring with lender banks, external market conditions of solar market and regulatory benefits. Based on the business valuations, the company has concluded that no adjustment is necessary to the advances of Rs. 22,600,000 in HPVL in the financial results for the period ended March 31, 2016.
- 26 a) The Company does not have any pending litigation.  
b) The Company does not have any long-term contracts including derivative contracts for which there are any material foreseeable losses.
- 27 During the current period, the Company changed it's financial year end from 31 December to 31 March and accordingly current period consist of 15 months from 1 January 2015 to 31 March 2016. Consequently previous year figures (1 January 2014 to 31 December 2014) are not comparable with that of current period. Previous year figures have been regrouped / rearranged, wherever necessary, to confirm to current period's classification.

**For S.C. KWATRA & Co.**

Chartered Accountants

Firm Registration No: 004232N

Sd/-

**M. M. KWATRA**

Partner

Membership Number-083756

Place: New Delhi

Date: 25 May 2016

For and on behalf of the board of directors of  
**Moser Baer Solar Systems Private Limited.**

Sd/-

Sd/-

**Deepak Puri**

Director

DIN - 00002189

**Nita Puri**

Director

DIN - 00002331