

# **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 Value Solar Energy Private Limited**

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

We have audited the accompanying financial statements of **Value Solar Energy Private Limited**, ("the Company") which comprise the Balance Sheet as at March 31, 2016, and the Statement of Profit and Loss and Cash Flow Statement for the fifteen months period then 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 standalone 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 profit and its cash flows for the period ended on that date.

## **Emphasis of Matter**

- (i) We draw attention to Note 24 to the financial statements with respect to the management assessment of recoverability of the investments made by the Company in Moser Baer Solar Limited (“MBSL”) amounting to 160,000,000. The recoverability of these amounts is dependent on various factors as set out in the said note, which are materially uncertain. Our opinion is not qualified in respect of this matter.
- (ii) Attention is drawn to Note 25 to the financial statements. The Company is currently dependent upon the financial support from its ultimate parent company. These conditions, along with other matters referred in the note indicate the existent 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.

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

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 disclosed the impact of pending litigations 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 has been no delay in transferring 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/-

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

Place: Delhi  
Date: 25 May, 2016

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

## **CHARTERED ACCOUNTANTS**

303-A, SASCO BHAWAN, AZADPUR COMMERCIAL COMPLEX,  
DELHI- 110 033 INDIA  
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### **VALUE SOLAR ENERGY 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) As the Company does not have any fixed assets, the provisions of clause 3(i) of the Order are not applicable.
- (ii) (a) As explained to us the physical verification of inventory has been conducted at reasonable intervals by the management.  
  
(b) In our opinion and according to the information and explanations given to us, procedures of physical verification of inventory followed by the management were reasonable and adequate in relation to the size of the company and the nature of its business.  
  
(c) In our opinion and according to the information and explanations given to us, the Company is maintaining proper records of inventory. There were no inventory at the year end.
- (iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to any party covered in the register maintained under section 189 of the Act.
- (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 purchase of inventory and for the sale of goods and services. 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 has generally been 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 not less than 50% of its net worth. The company has not incurred cash losses in the current financial period. The Company had incurred cash losses 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)

**Value Solar Energy Private Limited****Balance Sheet as at March 31, 2016**

(All amounts in rupees unless otherwise stated)

	Notes	As at March 31, 2016 (Rs.)	As at December 31, 2014 (Rs.)
<b>Equity and Liabilities</b>			
<b>Shareholders' funds</b>			
Share capital	4	100,000	100,000
Reserves and surplus	5	<u>(281,089,685)</u>	<u>(296,113,806)</u>
		(280,989,685)	(296,013,806)
<b>Current liabilities</b>			
Short term borrowings	6	74,700,000	67,859,507
Trade payables	7		
Payable to micro and small enterprises		-	-
Payable to others		404,441,037	222,551,549
Other current liabilities	8	241,688,675	238,770,058
Short-term provisions	9	<u>800,000</u>	<u>-</u>
		<b>721,629,712</b>	<b>529,181,114</b>
<b>TOTAL</b>		<b>440,640,027</b>	<b>233,167,308</b>
<b>Assets</b>			
<b>Non-current assets</b>			
Non-current investments	10	160,000,000	160,000,000
Long- term loans and advances	11	<u>6,208,865</u>	<u>5,511,149</u>
		166,208,865	165,511,149
<b>Current assets</b>			
Trade receivables	12	274,339,281	-
Cash and bank balances	13	<u>91,881</u>	<u>67,656,159</u>
		<b>274,431,162</b>	<b>67,656,159</b>
<b>TOTAL</b>		<b>440,640,027</b>	<b>233,167,308</b>

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

This is the balance sheet 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  
**Value Solar Energy Private Limited**

Sd/-

**Deepak Puri**

Director

DIN No-00002189

Sd/-

**Nand Kishor Joshi**

Director

DIN No-06369067

**Value Solar Energy Private Limited**  
**Statement of profit and loss for the 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	14	337,446,706	-
Other Income - Interest from bank		-	93,853
<b>Total Revenue</b>		<b>337,446,706</b>	<b>93,853</b>
<b>EXPENSES</b>			
Cost of stock-in-trade	15	297,600,168	-
Finance costs	16	10,727,447	399,452
Other expenses	17	13,211,010	4,296,310
<b>Total expenses</b>		<b>321,538,625</b>	<b>4,695,762</b>
<b>Profit / (Loss) before tax</b>		<b>15,908,081</b>	<b>(4,601,909)</b>
Tax expense:		-	
Previous Year Tax		83,960	
Current tax (MAT)		800,000	-
<b>Profit / (Loss) for the period</b>		<b>15,024,121</b>	<b>(4,601,909)</b>
<b>Earnings per equity share:</b>	19		
Basic and diluted		<b>1,502.41</b>	<b>(460.19)</b>

The accompanying notes 1 to 27 are an integral part of the financial statements.  
This is the profit and loss account 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  
**Value Solar Energy Private Limited**

Sd/-

**Deepak Puri**  
**Director**  
DIN No-00002189

Sd/-

**Nand Kishor Joshi**  
**Director**  
DIN No-06369067

Value 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	15,908,081	(4,601,909)
<b>Adjustments for:</b>		
Interest Paid	10,727,447	399,452
Interest received	-	(93,853)
Unrealised foreign exchange loss (net)	12,832,585	4,271,300
<b>Operating profit/(loss) before working capital changes</b>	<b>39,468,113</b>	<b>(25,010)</b>
<b>Adjustment for changes in working capital:</b>		
(Increase)/ decrease in long term loans and advances	(697,716)	-
(Increase)/ decrease in trade and other receivables	(274,339,281)	-
Increase/ (decrease) in trade and other payables	163,219,584	61,941
<b>Cash (used)/generated from operations</b>	<b>(72,349,300)</b>	<b>36,931</b>
Direct taxes (paid)/refund	(83,960)	(9,385)
<b>Net cash (used in) /generated from operating activities (a)</b>	<b>(72,433,260)</b>	<b>27,546</b>
<b>Cash flow from investing activities:</b>		
Interest received	-	93,853
<b>Net cash (used in) /generated from investing activities (b)</b>	<b>-</b>	<b>93,853</b>
<b>Cash flow from financing activities:</b>		
Change in short term borrowings	7,200,000	67,859,507
Interest paid	(2,331,018)	(399,452)
<b>Net cash (used in) /generated from financing activities (c)</b>	<b>4,868,982</b>	<b>67,460,055</b>
Increase/ (decrease) in cash and cash equivalents (a+b+c)	(67,564,278)	67,581,454
Cash and cash equivalents at beginning of the period	67,656,159	74,705
<b>Cash and cash equivalents at end of the period</b>	<b>91,881</b>	<b>67,656,159</b>
<b>Components of cash and cash equivalents</b>		
Cash balance on hand	1,244	1,244
Balance with scheduled banks on current accounts	90,637	67,654,915
<b>Total</b>	<b>91,881</b>	<b>67,656,159</b>

**Note:**

The above Cash flow statement has been prepared under the indirect method set out in Accounting Standard-3 (Revised).

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  
**Value Solar Energy Private Limited**

Sd/-

**Deepak Puri**  
Director  
DIN No-00002189

Sd/-

**Nand Kishor Joshi**  
Director  
DIN No-06369067

## **Value Solar Energy Private Limited**

Summary of significant accounting policies and other explanatory informations to the financial statements for the period ended March 31, 2016

(All amounts in rupees unless otherwise stated)

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### **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 and price difference.

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.

#### **3.2 INVESTMENTS**

Long term investments are stated at cost of acquisition inclusive of expenditure incidental to acquisition. A provision for diminution is made to recognise a decline, other than temporary in the value of long term investments.

Current investments are stated at lower of cost and fair value determined on an individual basis.

#### **3.3 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 that sufficient future taxable income will be available against which such DTA can be realized. 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.

#### **3.4 PROVISION AND CONTINGENT LIABILITY**

The Company creates a provision when there is a present obligation as a result of past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of obligation. A disclosure of contingent liability is made when there is a possible obligation or a present obligation that will probably not require outflow of resources or where a reliable estimate of the obligation cannot be made.

#### **3.5 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.

**Value Solar Energy Private Limited**

**Summary of significant accounting policies and other explanatory information to the financial statements for the period ended March 31, 2016**

(All amounts in rupees unless otherwise stated)

	As at March 31, 2016 (Number)	As at March 31, 2016 (Rs.)	As at December 31, 2014 (Number)	As at December 31, 2014 (Rs.)
<b>4 Share capital</b>				
<b>Authorised</b>				
10,000 (previous year 10,000) equity shares of Rs.10 each	10,000	100,000	10,000	100,000
<b>Issued, subscribed and fully paid up</b>				
Equity shares of Rs. 10 each fully paid	10,000	100,000	10,000	100,000
<b>Total issued, subscribed and fully paid up</b>	<b>10,000</b>	<b>100,000</b>	<b>10,000</b>	<b>100,000</b>

**(A) 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.

**(B) No shares have been issued for consideration other than cash or as bonus shares in the current reporting period or in last five years immediately preceding the current reporting period.**

**(C) Reconciliation of the number of shares outstanding**

	As at March 31, 2016		As at December 31, 2014	
	(Number)	(Rs.)	( Number )	(Rs.)
Shares outstanding at the beginning of the period	10,000	100,000	10,000	100,000
<b>Shares outstanding at the end of the period</b>	<b>10,000</b>	<b>100,000</b>	<b>10,000</b>	<b>100,000</b>

**(D) Shareholders holding more than 5 % of share capital**

Name of Shareholder	As at March 31, 2016		As at December 31, 2014	
	No. of shares held	% of Holding	No. of shares held	% of Holding
MB Solar Holdings Limited (formerly Moser Baer Solar PLC)	10,000	100	10,000	100

The Ultimate Holding Company is Moser Baer India Limited.

**5 Reserves and surplus**

	As at March 31, 2016 (Rs.)	As at December 31, 2014 (Rs.)
<b>Deficit in the statement of profit or loss</b>		
Opening balance	(296,113,806)	(291,511,897)
Add: Net Profit / ( loss) for the current period	15,024,121	(4,601,909)
<b>Closing balance</b>	<b>(281,089,685)</b>	<b>(296,113,806)</b>

**Value Solar Energy Private Limited**

Summary of significant accounting policies and other explanatory information to the financial statements for the period ended March 31, 2016

(All amounts in rupees unless otherwise stated)

	As at March 31, 2016 (Rs.)	As at December 31, 2014 (Rs.)
<b>6 Short term borrowings</b>		
<b>Unsecured</b>		
From Others	74,700,000	67,859,507
	<u>74,700,000</u>	<u>67,859,507</u>
<b>7 Trade payables</b>		
Dues to others	404,441,037	222,551,549
	<u>404,441,037</u>	<u>222,551,549</u>
<b>8 Other current liabilities</b>		
Due to related parties, net	232,636,864	238,716,068
Other accrued liabilities	45,670	14,045
Statutory dues	250,205	39,945
Interest accrued and due on borrowings	8,755,936	-
	<u>241,688,675</u>	<u>238,770,058</u>
<b>9 Short Term Provisions</b>		
Provision for Taxations	800,000	-
	<u>800,000</u>	<u>-</u>
<b>10 Non-current investments</b>		
<b>Unquoted - non trade</b>		
<b>Investments in Preference shares</b>		
<b>Moser Baer Solar Limited</b>		
16,000,000 (previous year 16,000,000) redeemable preference shares of Rs.10 each fully paid up	160,000,000	160,000,000
	<u>160,000,000</u>	<u>160,000,000</u>
<b>11 Long term loans and advances</b>		
Balances with government authorities	6,208,865	5,511,149
	<u>6,208,865</u>	<u>5,511,149</u>
<b>12 Trade receivables</b>		
<b>Trade receivables outstanding for a period exceeding six months from the date they are due for payment</b>		
Unsecured, considered good	274,339,281	-
	<u>274,339,281</u>	<u>-</u>
<b>13 Cash and bank balances</b>		
<b>Cash and cash equivalents</b>		
a. Cash on hand	1,244	1,244
b. Bank balances		
- current accounts	90,637	67,654,915
	<u>91,881</u>	<u>67,656,159</u>

**Value Solar Energy Private Limited**

Summary of significant accounting policies and other explanatory information to the financial statements 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>14 Revenue from operations</b>		
Sale of products	337,446,706	-
Less: Excise duty	-	-
<b>Total revenue from operations</b>	<b>337,446,706</b>	<b>-</b>
<b>Details of sales</b>		
Silicon Wafers	132,029,810	-
Silicon Solar Cell	205,416,896	-
	<b>337,446,706</b>	<b>-</b>
<b>15 Cost of stock-in-trade</b>		
Silicon Wafers	128,690,922	-
Cell	168,909,246	-
	<b>297,600,168</b>	<b>-</b>
<b>16 Finance costs</b>		
Interest expense - on loans	10,727,447	-
	<b>10,727,447</b>	<b>-</b>
<b>17 Other expenses</b>		
Rates and taxes	12,397	2,747
Remuneration to auditors:		
-for audit fees	31,625	14,045
Legal and professional	69,736	5,204
Net loss on foreign currency translation	12,832,585	4,271,300
Detention Charges	174,330	-
Others	90,337	3,014
	<b>13,211,010</b>	<b>4,296,310</b>

**Value Solar Energy Private Limited****Summary of significant accounting policies and other explanatory information to the financial statements for the period ended March 31, 2016****(All amounts in rupees unless otherwise stated)**

- 18 In accordance with Accounting Standard – 18 'Related Party Disclosures' the names of the related parties where control exists and where transactions have taken place along with description of relationship, the aggregate amount of transactions and period end balances with them as identified and certified by the management are given as follows:

**(a) 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
MB Solar Holdings Limited (formerly Moser Baer Solar PLC)	Holding
Photovoltaic Holdings Limited (Formerly Photovoltaic Holdings Plc)	Intermediate Holding Company
Moser Baer Investments Limited	Fellow subsidiary
Perafly Limited	Fellow subsidiary
Nicofly Limited	Fellow subsidiary
Moser Baer Solar Limited (Formerly Photovoltaic Technologies India Ltd)	Fellow subsidiary
Helios Photo Voltaic Ltd. (Formerly known as Moser Baer Photo Voltaic Limited)	Fellow subsidiary
Pride Solar Systems Private Limited	Fellow subsidiary
Admire Energy Solutions Private Limited	Fellow subsidiary
Moser Baer Solar Systems Private Limited	Fellow subsidiary
Competent Solar Energy Private Limited	Fellow subsidiary
TIFTON Limited	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
Peraround Limited	Fellow subsidiary
Advoferm Limited	Fellow subsidiary
Cubic Technologies BV*	Fellow subsidiary
Moser Baer Technologies Inc.***	Fellow subsidiary
OM & T B.V.**	Fellow subsidiary
Moser Baer Photovoltaic Inc. USA	Fellow subsidiary
Microgreen Electronics Pvt. Ltd. (Formerly Known as Cobol Power & Technologies Pvt. Ltd.)	Enterprise over which Key Managerial Personnel (KMP) exercise significant influence

\* Dissolved on 21 December 2015.

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

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

**Key management personnel \***

Mr. Deepak Puri

Director

Mrs. Nita Puri (upto March 30, 2015)

Director

\* The key managerial personnel do not draw any remuneration from the Company.

Value Solar Energy Private Limited

Summary of significant accounting policies and other explanatory information to the financial statements for the period ended March 31, 2016

(All amounts in rupees unless otherwise stated)

- 18 (b) 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)

Particulars	Helios Photo Voltaic Ltd.	Moser Baer Solar Limited	Moser Baer India Limited	Microgreen Electronics Pvt. Ltd.	Total
<b>Loan received Form Related Party</b>					
-Microgreen Electronics Pvt. Ltd.	- (-)	- (-)	- (-)	7,200,000 (-)	7,200,000 -
<b>Purchase from Relate Party</b>					
-Helios Photo Voltaic Ltd.	168,909,246 (-)	- (-)	- (-)	- (-)	168,909,246 -
<b>Sales to Relate Party</b>					
-Helios Photo Voltaic Ltd.	132,029,810 (-)	- (-)	- (-)	- (-)	132,029,810 -
-Moser Baer Solar Ltd.	- (-)	205,416,896 (-)	- (-)	- (-)	205,416,896 -
<b>Interest provided on loan taken</b>					
-Microgreen Electronics Pvt. Ltd.	- (-)	- (-)	- (-)	1,208,024 (-)	1,208,024 -
<b>Expenses incurred/ payment made by RP on our behalf</b>					
-Helios Photo Voltaic Ltd.	389,197 (-)	- (-)	- (-)	- (-)	389,197 -
-Moser Baer Solar Ltd.	- (-)	1,371,081 (40,450)	- (-)	- (-)	1,371,081 (40,450)
-Moser Baer India Ltd.	- (-)	- (-)	7,943 (2,147)	- (-)	7,943 (2,147)
<b>(ii) Outstanding payables</b>					
<b>In respect of Expenses Incurred/Payment made by related party On our behalf</b>					
-Helios Photo Voltaic Ltd.	2,980,871 (2,591,674)	- (-)	- (-)	- (-)	2,980,871 (2,591,674)
-Moser Baer Solar Ltd.		230,293,124 (236,122,043)	- (-)	- (-)	230,293,124 (236,122,043)
-Moser Baer India Ltd.			10,294 (2,351)	- (-)	10,294 (2,351)
<b>In respect of loan/advance payable to related party</b>					
-Microgreen Electronics Pvt. Ltd.	- (-)	- (-)	- (-)	7,200,000 (-)	7,200,000 -
<b>In respect of interest on loan/advance payable to related party</b>					
-Microgreen Electronics Pvt. Ltd.				1,087,222 (-)	1,087,222 -
<b>In respect of purchase made from related party</b>					
-Helios Photo Voltaic Ltd.	167,909,246 (-)	- (-)	- (-)	- (-)	167,909,246 -
<b>(iii) Outstanding receivables</b>					
<b>In respect of sales made to related party</b>					
-Helios Photo Voltaic Ltd.	131,969,810 (-)	- (-)	- (-)	- (-)	131,969,810 -
-Moser Baer Solar Ltd.	- (-)	143,016,896 (-)	- (-)	- (-)	143,016,896 -

**Value Solar Energy Private Limited**

Summary of significant accounting policies and other explanatory information to the financial statements for the period ended March 31, 2016

(All amounts in rupees unless otherwise stated)

**19 Earnings Per Share (EPS)**

	As at March 31, 2016 (Number)	As at December 31, 2014 (Number)
<b>Calculation of weighted average number of equity shares</b>		
Total number of equity shares at the beginning of the period	10,000	10,000
Total number of equity shares outstanding at the end of the period	10,000	10,000
<b>Weighted average number of equity shares outstanding during the period</b>	<b>10,000</b>	<b>10,000</b>
	<b>(Rs)</b>	<b>(Rs)</b>
Net Profit / (loss) after tax available for equity share holders	15,024,121	(4,601,909)
Basic and diluted earnings per share (face value per share Rs. 10 each)	<b>1,502.41</b>	<b>(460.19)</b>

**20 Imports (valued on CIF basis):**

Particulars	As at March 31, 2016 (Rs.)	As at December 31, 2014 (Rs.)
Purchase of traded goods	128,690,923	-
<b>Total</b>	<b>128,690,923</b>	<b>-</b>

21 Based on 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.

22 The foreign currency exposure not hedged as at March 31, 2016  
Payable in foreign currency USD 3,530,000 (Previous year USD 3,530,000)

**23 Segment information**

The Company is engaged in the business of "trading of wafers and solar cells" which is considered to be the only reportable business segment as per the accounting standard 17 on 'Segment Reporting'. The Company only operates in India and therefore does not have any other geographical segments.

24 The Company has investment of Rs 160,000,000 against 16,000,000 redeemable preference shares of Rs.10 each fully paid up of Moser Baer Solar Limited (MBSL). The management of Moser Baer India Limited (the ultimate holding company) has performed the detailed assessment, using valuations as of March 31, 2016 performed by an independent valuer. The aforementioned business valuation has been done using the discounted cash flows method with significant underlying assumptions, including dependence on acceptance of revised restructuring with the lenders banks, ramping up operations with adequate advance from customers, external market conditions of solar markets and regulatory benefits. Based on such assessment, the Company has concluded that no adjustment is necessary to the underlying investments in MBSL aggregating to Rs. 160,000,000 in the financial results for the period ended March 31, 2016.

25 The Company has substantial accumulated losses and the company's liabilities exceed the company's assets by Rs.28,09,89,685/-. The Company is presently dependent upon financial support from its ultimate parent company Moser Baer India Limited (MBIL). In view of the financial support provided by the ultimate 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.

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 its financial year end from 31 December to 31 March and consequently current period consist of 15 months from 1 Jan 2015 to 31 March 2016. Consequently current period figures are not comparable with that of previous year. Previous year figures have been regrouped / rearranged, wherever necessary, to confirm to current period 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  
**Value Solar Energy Private Limited**

Sd/-

**Deepak Puri**  
Director  
DIN No-00002189

Sd/-

**Nand Kishor Joshi**  
Director  
DIN No-06369067