

Value Solar Energy Private Limited**Balance Sheet as at March 31, 2017**

(All amounts in rupees unless otherwise stated)

	Notes	As at March 31, 2017 (Rs.)	As at March 31, 2016 (Rs.)
Equity and Liabilities			
Shareholders' funds			
Share capital	4	100,000	100,000
Reserves and surplus	5	<u>(438,256,856)</u>	<u>(281,089,685)</u>
		(438,156,856)	(280,989,685)
Current liabilities			
Short term borrowings	6	74,700,000	74,700,000
Trade payables	7		
Payable to micro and small enterprises		-	-
Payable to others		396,938,443	404,486,707
Other current liabilities	8	243,101,360	241,643,005
Short-term provisions	9	<u>685,638</u>	<u>800,000</u>
		715,425,441	721,629,712
TOTAL		<u>277,268,585</u>	<u>440,640,027</u>
Assets			
Non-current assets			
Non-current investments	10	-	160,000,000
Long- term loans and advances	11	<u>6,208,865</u>	<u>6,208,865</u>
		6,208,865	166,208,865
Current assets			
Trade receivables	12	271,009,337	274,339,281
Cash and bank balances	13	<u>50,383</u>	<u>91,881</u>
		271,059,720	274,431,162
TOTAL		<u>277,268,585</u>	<u>440,640,027</u>

The accompanying notes 1 to 28 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/-

SATISH CHANDRA

Partner

Membership Number-083431

Place: New Delhi

Date: 22 May 2017

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 year ended March 31, 2017**

(All amounts in rupees unless otherwise stated)

	Notes	Year ended March 31, 2017 (Rs.)	Period ended March 31, 2016 (Rs.)
INCOME			
Revenue from operations	14	-	337,446,706
Other Income	15	4,977,300	-
Total Revenue		4,977,300	337,446,706
EXPENSES			
Cost of stock-in-trade	16	-	297,600,168
Finance costs	17	1,279,578	10,756,056
Other expenses	18	192,443	13,182,401
Total expenses		1,472,021	321,538,625
Profit before exceptional and tax		3,505,279	15,908,081
Exceptional items			
Diminution in value of investment	10	160,000,000	-
Profit / (Loss) before tax		(156,494,721)	15,908,081
Tax expense:			
Previous Year Tax		-	83,960
Current tax (MAT)		672,450	800,000
Profit / (Loss) for the period		(157,167,171)	15,024,121
Earnings per equity share:			
Basic and diluted	20	(15,716.72)	1,502.41

The accompanying notes 1 to 28 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

For and on behalf of the board of directors of
Value Solar Energy Private Limited

Sd/-

Sd/-

Sd/-

SATISH CHANDRA
Partner
Membership Number-083431

Deepak Puri
Director
DIN No-00002189

Nand Kishor Joshi
Director
DIN No-06369067

Place: New Delhi
Date: 22 May 2017

Value Solar Energy Private Limited

Cash flow statement for the period ended March 31, 2017

(All amounts in rupees unless otherwise stated)

	Year ended March 31, 2017 (Rs.)	Period ended March 31, 2016 (Rs.)
Cash flow from operating activities:		
Net Profit / (Loss) before tax	(156,494,721)	15,908,081
Adjustments for:		
Interest Paid	1,186,650	10,727,447
Unrealised foreign exchange loss (net)	(4,977,300)	12,832,585
Diminution in value of investment	160,000,000	-
Operating profit/(loss) before working capital changes	(285,371)	39,468,113
Adjustment for changes in working capital:		
(Increase)/ decrease in long term loans and advances	-	(697,716)
(Increase)/ decrease in trade and other receivables	3,329,944	(274,339,281)
Increase/ (decrease) in trade and other payables	(2,180,594)	163,219,583
Cash (used)/generated from operations	863,979	(72,349,300)
Direct taxes (paid)/refund	(786,812)	(83,960)
Net cash (used in) /generated from operating activities (a)	77,167	(72,433,260)
Cash flow from investing activities:	-	-
Net cash (used in) /generated from investing activities (b)	-	-
Cash flow from financing activities:		
Change in short term borrowings	-	7,200,000
Interest paid	(118,665)	(2,331,018)
Net cash (used in) /generated from financing activities (c)	(118,665)	4,868,982
Increase/ (decrease) in cash and cash equivalents (a+b+c)	(41,498)	(67,564,278)
Cash and cash equivalents at beginning of the period	91,881	67,656,159
Cash and cash equivalents at end of the period	50,383	91,881
Components of cash and cash equivalents		
Cash balance on hand	1,244	1,244
Balance with scheduled banks on current accounts	49,139	90,637
Total	50,383	91,881

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 28 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

For and on behalf of the board of directors of
Value Solar Energy Private Limited

Sd/-

Sd/-

Sd/-

SATISH CHANDRA
Partner
Membership Number-083431

Deepak Puri
Director
DIN No-00002189

Nand Kishor Joshi
Director
DIN No-06369067

Place: New Delhi
Date: 22 May 2017

Value Solar Energy Private Limited

Summary of significant accounting policies and other explanatory informations to the financial statements for the year ended March 31, 2017
(All amounts in rupees unless otherwise stated)

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 year ended March 31, 2017

(All amounts in rupees unless otherwise stated)

4 Share capital	As at	As at	As at	As at
	March 31, 2017	March 31, 2017	March 31, 2016	March 31, 2016
	(Number)	(Rs.)	(Number)	(Rs.)
Authorised				
10,000 (previous year 10,000) equity shares of Rs.10 each	10,000	100,000	10,000	100,000
Issued, subscribed and fully paid up				
Equity shares of Rs. 10 each fully paid	10,000	100,000	10,000	100,000
Total issued, subscribed and fully paid up	10,000	100,000	10,000	100,000

(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, 2017		As at March 31, 2016	
	(Number)	(Rs.)	(Number)	(Rs.)
Shares outstanding at the beginning of the year / period	10,000	100,000	10,000	100,000
Shares outstanding at the end of the year / period	10,000	100,000	10,000	100,000

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

Name of Shareholder	As at March 31, 2017		As at March 31, 2016	
	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	As at
	March 31, 2017	March 31, 2016
	(Rs.)	(Rs.)
Deficit in the statement of profit or loss		
Opening balance	(281,089,685)	(296,113,806)
Add: Net Profit / (loss) for the current year / period	(157,167,171)	15,024,121
Closing balance	(438,256,856)	(281,089,685)

Value Solar Energy Private Limited

Summary of significant accounting policies and other explanatory information to the financial statements for the year ended March 31, 2017

(All amounts in rupees unless otherwise stated)

	As at March 31, 2017 (Rs.)	As at March 31, 2016 (Rs.)
6 Short term borrowings		
Unsecured		
From Others		
Loan from related party	7,200,000	7,200,000
Loan from GMM Barter Pvt. Ltd.	67,500,000	67,500,000
	<u>74,700,000</u>	<u>74,700,000</u>
7 Trade payables		
Dues to others	396,938,443	404,486,707
	<u>396,938,443</u>	<u>404,486,707</u>
8 Other current liabilities		
Due to related parties, net	233,158,774	232,636,864
Statutory dues	118,665	250,205
Interest accrued and due on borrowings	9,823,921	8,755,936
	<u>243,101,360</u>	<u>241,643,005</u>
9 Short Term Provisions		
Provision for Taxation	685,638	800,000
	<u>685,638</u>	<u>800,000</u>
10 Non-current investments		
Unquoted - non trade		
Investments in Preference shares		
Moser Baer Solar Limited		
16,000,000 (previous year 16,000,000) redeemable preference shares of Rs.10 each fully paid up	160,000,000	160,000,000
Less :- Provision for diminution in value of investment	(160,000,000)	-
	<u>-</u>	<u>160,000,000</u>
11 Long term loans and advances		
Balances with government authorities	6,208,865	6,208,865
	<u>6,208,865</u>	<u>6,208,865</u>
12 Trade receivables		
Trade receivables outstanding for a period exceeding six months from the date they are due for payment		
Unsecured, considered good	271,009,337	274,339,281
Total	<u>271,009,337</u>	<u>274,339,281</u>
13 Cash and bank balances		
Cash and cash equivalents		
a. Cash on hand	1,244	1,244
b. Bank balances		
- current accounts	49,139	90,637
	<u>50,383</u>	<u>91,881</u>

Note:

In accordance with MCA notification G.S.R. 308E dated March 30, 2017 details of specified bank notes(SBNs) and other denomination Notes(ODN) held and transaction during the period from November 8, 2016 to December 30, 2016 has not been disclosed as the company did not have any holdings or dealing in specified bank notes and there were no transactions in cash during that period.

Value Solar Energy Private Limited

Summary of significant accounting policies and other explanatory information to the financial statements for the year ended March 31, 2017

(All amounts in rupees unless otherwise stated)

	Year ended March 31, 2017	Period ended March 31, 2016 (Rs.)
14 Revenue from operations		
Sale of products	-	337,446,706
Less: Excise duty	-	-
Total revenue from operations	<u>-</u>	<u>337,446,706</u>
Details of sales		
Silicon Wafers	-	132,029,810
Silicon Solar Cell	-	205,416,896
	<u>-</u>	<u>337,446,706</u>
15 Other Income		
Net gain on foreign currency translation	4,977,300	-
Total Other Income	<u>4,977,300</u>	<u>-</u>
16 Cost of stock-in-trade		
Silicon Wafers	-	128,690,922
Cell	-	168,909,246
	<u>-</u>	<u>297,600,168</u>
17 Finance costs		
Interest expense		
On long term borrowing	1,186,650	10,727,447
Others *	92,928	28,609
	<u>1,279,578</u>	<u>10,756,056</u>
* Includes interest for late payment of statutory dues		
18 Other expenses		
Rates and taxes	11,602	12,397
Remuneration to auditors:		
-for audit fees	17,250	31,625
Legal and professional	151,500	69,736
Net loss on foreign currency translation	-	12,832,585
Detention Charges	-	174,330
Others	12,091	61,728
	<u>192,443</u>	<u>13,182,401</u>

Value Solar Energy Private Limited**Summary of significant accounting policies and other explanatory information to the financial statements for the year ended March 31, 2017****(All amounts in rupees unless otherwise stated)**

- 19 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

Name of the related party	Nature of relationship
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
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.

** 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 year ended March 31, 2017

(All amounts in rupees unless otherwise stated)

- 19 (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
Loan received Form Related Party					
-Microgreen Electronics Pvt. Ltd.	- (-)	- (-)	- (-)	- (7,200,000)	- (7,200,000)
Purchase from Related Party					
-Helios Photo Voltaic Ltd.	- (168,909,246)	- (-)	- (-)	- (-)	- (168,909,246)
Sales to Related Party					
-Helios Photo Voltaic Ltd.	- (132,029,810)	- (-)	- (-)	- (-)	- (132,029,810)
-Moser Baer Solar Ltd.	- (-)	- (205,416,896)	- (-)	- (-)	- (205,416,896)
Interest provided on loan taken					
-Microgreen Electronics Pvt. Ltd.	- (-)	- (-)	- (-)	1,186,650 (1,208,024)	1,186,650 (1,208,024)
Expenses incurred/ payment made by Related Party on our behalf					
-Helios Photo Voltaic Ltd.	1,276,854 (389,197)	- (-)	- (-)	- (-)	1,276,854 (389,197)
-Moser Baer Solar Ltd.	- (-)	- (1,371,081)	- (-)	- (-)	- (1,371,081)
-Moser Baer India Ltd.	- (-)	- (-)	4,910 (7,943)	- (-)	4,910 (7,943)
Provision for dimunition in value of Investment					
-Moser Baer Solar Ltd.	- (-)	160,000,000 (-)	- (-)	- (-)	160,000,000 (-)
(ii) Outstanding payables					
In respect of Expenses Incurred/Payment made by related party On our behalf					
-Helios Photo Voltaic Ltd.	3,108,674 (2,980,871)	- (-)	- (-)	- (-)	3,108,674 (2,980,871)
-Moser Baer Solar Ltd.		230,034,896 (230,293,124)	- (-)	- (-)	230,034,896 (230,293,124)
-Moser Baer India Ltd.			15,204 (10,294)	- (-)	15,204 (10,294)
In respect of loan/advance payable to related party					
-Microgreen Electronics Pvt. Ltd.	- (-)	- (-)	- (-)	7,200,000 (7,200,000)	7,200,000 (7,200,000)
In respect of interest on loan/advance payable to related party					
-Microgreen Electronics Pvt. Ltd.				2,155,207 (1,087,222)	2,155,207 (1,087,222)
In respect of purchase made from related party					
-Helios Photo Voltaic Ltd.	167,909,246 (167,909,246)	- (-)	- (-)	- (-)	167,909,246 (167,909,246)
(iii) Outstanding receivables					
In respect of sales made to related party					
-Helios Photo Voltaic Ltd.	128,250,669 (131,969,810)	- (-)	- (-)	- (-)	128,250,669 (131,969,810)
-Moser Baer Solar Ltd.	- (-)	142,758,668 (143,016,896)	- (-)	- (-)	142,758,668 (143,016,896)

Value Solar Energy Private Limited

Summary of significant accounting policies and other explanatory information to the financial statements for the year ended March 31, 2017

(All amounts in rupees unless otherwise stated)

20 Earnings Per Share (EPS)

	As at March 31, 2017 (Number)	As at March 31, 2016 (Number)
Calculation of weighted average number of equity shares		
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
Weighted average number of equity shares outstanding during the period	10,000	10,000
		(Rs)
Net Profit / (loss) after tax available for equity share holders	(157,167,171)	15,024,121
Basic and diluted earnings per share (face value per share Rs. 10 each)	(15,716.72)	1,502.41

21 Imports (valued on CIF basis):

Particulars	As at March 31, 2017 (Rs.)	As at March 31, 2016 (Rs.)
Purchase of traded goods	-	128,690,923
Total	-	128,690,923

22 Based on information available with the Company, as at March 31, 2017 there are no dues to Micro and Small Enterprises as defined in the Micro, Small and Medium Enterprises Development Act, 2006.

23 The foreign currency exposure not hedged as at March 31, 2017

Payable in foreign currency USD 3,530,000; Rs. 228,920,500; (Previous year USD 3,530,000; Rs.233,897,800)

24 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.

25 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). Pursuant to approval of CDR exit by CDR- EG and loan recall notices received by the Moser Baer Solar Limited (MBSL) from majority of lender banks, the Company has made a provision for diminution other than temporary diminution amounting to Rs. 160,000,000 during the current year towards the value of long term investments made by the Company in redeemable preference shares of MBSL.

26 The Company has substantial accumulated losses and the company's liabilities exceed the company's assets by Rs.438,156,855/-. 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.

27 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.

28 During the current period, the Company changed its financial year beginning from 1st. Jan to 1st. April and accordingly current period consist of 12 months from 1 April 2016 to 31 March 2017. Consequently, previous year figures (1 January 2015 to 31 March 2016) are not comparable with that of current period. Previous period figures have been regrouped / rearranged, wherever necessary, to conform to current year's classification.

For and on behalf of the board of directors of
Value Solar Energy Private Limited

Sd/-

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Deepak Puri
Director

Nand Kishor Joshi
Director

DIN No-00002189

DIN No-06369067