

## **INDEPENDENT AUDITOR'S REPORT**

### **TO THE MEMBERS OF IL&FS SOLAR POWER LIMITED**

#### **1. Report on the Financial Statements**

We have audited the accompanying financial statements of IL&FS Solar Power 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 year then ended, and a summary of significant accounting policies and other explanatory information.

#### **2. 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.

#### **3. 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 and the Order under section 143 (11) of the Act.

We conducted our audit of the financial statements 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 auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view, in order to design audit procedures that are appropriate in the circumstances. 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.

#### 4. 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:

- a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2016;
- b) in the case of the Statement of Profit and Loss, of the loss for the year ended on that date; and
- c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

#### 5. Report on Other Legal and Regulatory Requirements

- I. As required by Section 143 (3) of the Act, we report that:
  - i. We have sought and obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit.
  - ii. In our opinion, proper books of account, as required by law, have been kept by the Company, so far as it appears from our examination of those books.
  - iii. The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement, dealt with by this Report, are in agreement with the books of account.
  - iv. 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.
  - v. On the basis of the written representations received from the directors as on 31st March, 2016, taken on record by the Board of Directors, none of





the directors is disqualified as on 31st March, 2016, from being appointed as a director, in terms of Section 164 (2) of the Act.

- vi. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our Report in "Annexure A".
  - vii. With respect to the other matters to be included in the Auditor's Report, in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - (a) The Company does not have any pending litigations which would impact its financial position
    - (b) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
    - (c) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
- II. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the Annexure "B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For N. M. Raiji & Co.  
Chartered Accountants  
Firm Registration No - 108296W



Vinay D. Balse  
Partner  
Membership No: 39434

Place : Mumbai

Date : May 25, 2016

**ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF IL&FS SOLAR POWER LIMITED**  
(Referred to in paragraph 6 (I) (vi) of our report of even date)

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

We have audited the internal financial controls over financial reporting of IL&FS Solar Power Limited ("the Company"), as of March 31, 2016 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

**Management's Responsibility for Internal Financial Controls**


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

**Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.





### **Meaning of Internal Financial Controls over Financial Reporting**

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

### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

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

### **Opinion**

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

For N. M. Raiji & Co.  
Chartered Accountants  
Firm Registration No - 108296W




Vinay D. Balse  
Partner  
Membership No: 39434

Place: Mumbai

Date: May 25, 2016

**ANNEXURE "B" TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE  
FINANCIAL STATEMENTS OF IL&FS SOLAR POWER LIMITED  
(Referred to in paragraph 6 (II) of our report of even date)**

- (i) The Company does not have any fixed assets. Consequently, the provisions of clause 3(i)(a), (b) and (c) of the Order are not applicable to the Company.
  - (ii) The Company does not hold any physical inventories. Consequently, the provisions of clause 3(ii) of the Order are not applicable to the Company.
  - (iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured, to companies, firms, limited liability partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013 (the "Act"). Consequently, the provisions of clause 3(iii)(a), (b) and (c) are not applicable to the Company.
  - (iv) According to the information and explanations given to us, the Company has not granted any loans, made investments or provided any guarantees. Consequently, the provisions of clause 3(iv) of the Order are not applicable to the Company.
  - (v) According to the information and explanations given to us, the Company has not accepted any deposits during the year. Consequently, the provisions of clause 3(v) of the Order are not applicable to the Company.
  - (vi) In our opinion and according to the information and explanations given to us, the Company is not required to maintain cost records under section 148(1) of the Companies Act, 2013. Consequently, the provisions of clause 3(vi) of the Order are not applicable to the Company.
  - (vii) Based on our examination of the books of account and according to the information and explanations given to us,
    - a) the Company is regular in depositing with the appropriate authorities, undisputed statutory dues including provident fund, income-tax, sales-tax, wealth tax, service tax, custom duty, excise duty, value added tax, cess and any other statutory dues applicable. No undisputed amounts payable were outstanding as at the last day of the financial year concerned for a period of more than six months from the date they became payable.
    - b) As at the Balance Sheet date, the Company has no dues in respect of sales tax, income tax, service tax, excise duty, custom duty, wealth tax, value added tax, cess, which have not been deposited with the appropriate authorities on account of any dispute with the related authorities.
  - (viii) To the best of our knowledge and belief and according to the information and explanations given to us, the Company has not taken any loans from financial institutions or banks or debenture holders. Consequently, the provisions of clause 3(viii) of the Order are not applicable to the Company.
  - (ix) To the best of our knowledge and belief and according to the information and explanations given to us, the term loans have been applied for the purpose for which they were obtained.
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- (x) To the best of our knowledge and belief and according to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees was noticed or reported during the year..
- (xi) The Company has not paid any managerial remuneration during the year. Consequently, the provisions of clause 3(xi) of the Order are not applicable to the Company.
- (xii) To the best of our knowledge and belief, the Company is not a Nidhi Company. Consequently, the provisions of clause 3(xii) of the Order are not applicable to the Company.
- (xiii) To the best of our knowledge and belief and according to the information and explanations given to us, the Company is in compliance with Section 177 and 188 of the Act, where applicable, all transactions with related parties are in compliance with section 177 and 188 of the Act, where applicable, and the requisite details have been disclosed in the Financial Statements, as required by the applicable accounting standards.
- (xiv) To the best of our knowledge and belief and according to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Consequently, the provisions of clause 3(xiv) of the Order are not applicable to the Company.
- (xv) To the best of our knowledge and belief and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or persons connected with them. Consequently, the provisions of clause 3(xv) of the Order are not applicable to the Company.
- (xvi) To the best of our knowledge and belief, the Company is not required to be registered under section 45-I of the Reserve Bank of India Act, 1934. Consequently, the provisions of clause 3(xvi) of the Order are not applicable to the Company.

For N. M. Raiji & Co.  
Chartered Accountants  
Firm Registration No - 108296W



Vinay D. Balse  
Partner  
Membership No: 39434

Place: Mumbai

Date: May 25, 2016

**IL&FS SOLAR POWER LIMITED**  
**BALANCE SHEET AS AT MARCH 31, 2016**

(Amount in Rupees)

Particulars	Note No.	As at March 31, 2016	As at March 31, 2015
<b>I EQUITIES &amp; LIABILITIES</b>			
<b>1 Shareholders' fund</b>			
(a) Share capital	3	500,000	500,000
(b) Reserves & surplus	4	(6,528,051)	(6,430,967)
<b>2 Non Current liabilities</b>			
(a) Long term borrowings	5	2,571,000,000	-
<b>3 Current liabilities</b>			
(a) Short term borrowings	6	8,668,000	20,500,000
(b) Trade payables	7	52,203	3,709
(c) Other current liabilities	8	13,624,945	88,823,652
<b>TOTAL</b>		<b>2,587,317,097</b>	<b>103,396,394</b>
<b>II ASSETS</b>			
<b>1 Non current assets</b>			
(a) Fixed assets			
(i) Capital work in progress	9	111,063,512	102,993,836
(b) Long term loan and advances	10	2,457,120,446	-
<b>2 Current Assets</b>			
(a) Cash and cash equivalents	11	19,133,139	402,228
(b) Short term loan and advances	12	-	330
<b>TOTAL</b>		<b>2,587,317,097</b>	<b>103,396,394</b>

Notes 1 to 18 form part of Financial Statements

In terms of our report attached.

For N.M. Rajji & Co.

Chartered Accountants

Firm Reg No: 108296W

  
Vinay D Balse  
Partner

Membership no: 39434



For and on behalf of the Board



Director

  
Director \* HT

Place: Mumbai

Date **25 MAY 2016**



**IL&FS SOLAR POWER LIMITED**  
**STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED MARCH 31, 2016**

(Amount in Rupees)

Particulars	Note No.	For The Year Ended March 31, 2016	For The Year Ended March 31, 2015
I Revenue from Operations		-	-
II Other Income		-	
III Total Revenue		-	-
IV Expenses			
V Finance Cost		-	-
VI Other Expenses	13	97,084	76,577
VII Total Expenses		97,084	76,577
VIII Loss before tax (III-VII)		(97,084)	76,577
IX Tax Expense		-	-
X Loss after tax (VIII-IX)		(97,084)	(76,577)
XI Earnings per equity share	14		
1) Basic		(1.94)	(1.53)
2) Diluted		(1.94)	(1.53)
(Face value per share Rs. 10)			

Notes 1 to 18 form part of Financial Statements

In terms of our report attached.

For N.M. Rajji & Co.

Chartered Accountants

Firm Reg No: 108296W

Vinay D. Balse  
Partner

Membership no: 39434



Place: Mumbai

Date **25 MAY 2016**

For and on behalf of the Board

Director

Director \* HT

**IL&FS SOLAR POWER LIMITED**  
**CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2016**

(Amount in Rupees)

Particulars	For The Year Ended March 31, 2016	For The Year Ended March 31, 2015
<b>A Cash Flow from Operating Activities</b>		
Profit or (Loss) before tax	(97,084)	(76,577)
Adjustments for (increase) / decrease in operating assets:		
Other Current assets	-	30
Short term loan and advances	330	-
Adjustments for increase / (decrease) in operating liabilities:		
Trade Payable	48,494	-
Other current liabilities	9,013,654	(2,676,298)
<b>Cash generated from operation</b>	<b>8,965,394</b>	<b>(2,752,845)</b>
Payment of taxes	(7,120,446)	-
<b>Net Cash used in Operating Activities (A)</b>	<b>1,844,948</b>	<b>(2,752,845)</b>
<b>B Cash flow from Investing Activities</b>		
Capital expenditure on fixed assets	(92,282,037)	(9,013,043)
Long term loan and advances given	(2,450,000,000)	-
<b>Net Cash generated / (used) in Investing Activities (B)</b>	<b>(2,542,282,037)</b>	<b>(9,013,043)</b>
<b>C Cash flow from financing Activities</b>		
Working Capital Loan Taken / (Repaid)	(11,832,000)	9,000,000
Long Term Borrowing taken	2,571,000,000	-
<b>Net Cash flow from financing activities (C)</b>	<b>2,559,168,000</b>	<b>9,000,000</b>
<b>Net Increase in Cash &amp; Cash Equivalents (A+B+C)</b>	<b>18,730,911</b>	<b>(2,765,888)</b>
Cash and Cash Equivalents at the beginning of the year	402,228	3,168,116
Cash and Cash Equivalents at the end of the year	19,133,139	402,228
	<b>18,730,911</b>	<b>(2,765,888)</b>

Notes 1 to 18 form part of Financial Statements

In terms of our report attached.

For N.M. Raiji & Co.  
Chartered Accountants  
Firm Reg No: 108296W  
Vindya D Balse  
Partner  
Membership no: 39434



For and on behalf of the Board

  
Director

  
Director → HIT

Place: Mumbai

Date **25 MAY 2016**



NOTES FORMING PART OF FINANCIAL STATEMENTS

1. SIGNIFICANT ACCOUNTING POLICIES

a. Basis for preparation of Financial Statements

The financial statements are prepared under the historical cost convention, in accordance with the Generally Accepted applicable Accounting Principles in India, including the applicable Accounting Standards issued pursuant to the Companies (Accounting Standards) Rules, 2006. All income and expenditure having a material bearing on the Financial Statements are recognised on an accrual basis.

The preparation of Financial Statement requires the Management to make certain estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) as of the date of financial statements and the reported income and expenses during the reporting year. The Management believes that the estimates used in the preparation of the Financial Statements are prudent and reasonable. Actual results could differ from these estimates.

b. Fixed Assets and Depreciation

Fixed assets are reported at acquisition value, with deductions for accumulated depreciation and impairment losses, if any.

The acquisition value includes the purchase price (excluding refundable taxes) and expenses directly attributable to the asset to bring the asset to the site and in the working condition for its intended use. Examples of directly attributable expenses included in the acquisition value are delivery and handling costs, installation, legal services and consultancy services.

The Company has exercised the option as per the Companies (Accounting Standards) Amendments Rules, 2011. As per the option, exchange differences related to long term foreign currency monetary items, in so far as they relate to the acquisition of depreciable capital assets, are capitalized and depreciated the same over the useful life of the assets and in other cases, have transferred to Foreign Currency Monetary Item Translation Difference Account and amortized over the balance year of such long term assets/liabilities.

c. Earnings Per Share

Basic earnings per share is calculated by dividing the net profit after tax, for the year attributable to equity shareholders of the Company, by the weighted average number of shares outstanding during the year.

Diluted earnings per share is calculated by dividing the net profit after tax, for the year attributable to equity shareholders of the Company, by the weighted average number of shares outstanding during the year, adjusted for the effects of all dilutive potential equity shares.

d. Taxation

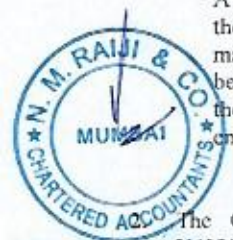
Income tax comprises of Current Tax, and net changes in Deferred Tax Assets or Liabilities during the year. Current Tax is determined at the amount of tax payable in respect of taxable income for the year as per the Income tax Act, 1961.

Deferred Tax Assets and Liabilities are recognised for future tax consequences of timing differences between the book profit and the tax profit. Deferred Tax Assets and Liabilities other than carry forward losses and unabsorbed depreciation under the tax laws are recognised when it is reasonably certain that there will be future taxable income. Deferred Tax Asset on carry forward losses and unabsorbed depreciation, if any, are recognised when it is virtually certain that there will be future taxable profit. Deferred Tax Assets and Liabilities are measured using substantively enacted tax rates. The effect on deferred tax assets and liabilities of a change in tax rates is recognised in the Statement of Profit and Loss in the year of substantive enactment of the change.

e. Provisions, Contingent Liabilities and Contingent Assets

A provision is recognised when the Company has a present obligation as a result of a past event and it is probable that the outflow of resources would be required to settle the obligation, and in respect of which a reliable estimate can be made. Provisions are not discounted to their present value and obligations required to be settled are determined based on best estimates as at the balance sheet date. Provisions are reviewed at each balance sheet date and are adjusted to reflect the current best estimation. A contingent liability is disclosed when there is a possibility of an outflow of resources embodying the economic benefits. Contingent Assets are neither recognised nor disclosed in the financial statements.

The Company was incorporated under the Companies Act, 1956 on August 26, 2010 vide Registration No. U40300MH2010PLC207073 with the primary objective of engaging in the business of procurers, generators, suppliers,





**IL&FS SOLAR POWER LIMITED****NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016**

distributors, transformers, converters, transmitters, producers, manufacturers, processors, developers, storers, carriers, importers and exporters of, and dealers in, electricity, and any products or by-products derived from any such business and any products derived from, or connected with any other form of energy, including without limitation heat, solar, wind, hydro, wave, tidal, bagasse, bio-mass, waste, geothermal and biological; to engage in the business of procurers, suppliers, distributors, converters, producers, processors, developers, storers, carriers, importers and exporters of, and dealers in, hydrocarbon fuels, fuel handling equipment and machinery and fuel handling facilities thereto and any product or by products derived from any such business (including without limitation distillate); and to carry on the business of a General Electric Power Supply Company in all its branches and to construct, lay down, establish fix and carry out all necessary power stations, cables, wires, lines, accumulators, lamps and works and to generate, accumulate distribute and supply electricity and to light cities, towns, streets, docks, markets, theatres, building and places, both public and private.

**3. SHAREHOLDERS' FUNDS**

a) The details of the Authorised, issued, subscribed and paid up Share Capital is as below

Share Capital	(Amount in Rupees)			
	As at March 31, 2016		As at March 31, 2015	
	Number	Amount	Number	Amount
<b>Authorised</b>				
Equity shares of Rs 10 each	50,000	500,000	50,000	500,000
<b>Issued, Subscribed &amp; Paid up</b>				
Equity shares of Rs 10 each	50,000	500,000	50,000	500,000
<b>Total</b>	<b>50,000</b>	<b>500,000</b>	<b>50,000</b>	<b>500,000</b>

b) Reconciliation of the shares outstanding at the beginning and at the end of the reporting Year:

Particulars	As at March 31, 2016		As at March 31, 2015	
	Number	Amount	Number	Amount
Shares Outstanding at the beginning of the year	50,000	500,000	50,000	500,000
Shares issued during the year	-	-	-	-
Shares bought back during the year	-	-	-	-
Shares Outstanding at the end of the year	50,000	500,000	50,000	500,000

c) 50,000 Equity shares are held by IL&FS Renewable Energy Limited, the holding company & Nominee.

d) Details of Share holder holding more than five percent shares in the company

Name of the shareholder	Shares	As at March 31, 2016		As at March 31, 2015	
		No. of shares held	% of holding	No. of shares held	% of holding
IL&FS Renewable Energy Limited	Equity	49,930	99.86	49,930	99.86

**4. RESERVE & SURPLUS**

Particulars	As at March 31, 2016	As at March 31, 2015
Balance in Statement of Profit and Loss	(6,528,051)	(6,430,967)
<b>Total</b>	<b>(6,528,051)</b>	<b>(6,430,967)</b>





**IL&FS SOLAR POWER LIMITED**  
**NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016**

The Balance in statement of Profit & Loss is arrived as follows:

Particulars	As at March 31, 2016	As at March 31, 2015
Profit/(loss) at the beginning of the year	(6,430,967)	(6,354,390)
Profit/(loss) for the year	(97,084)	(76,577)
<b>Total</b>	<b>(6,528,051)</b>	<b>(6,430,967)</b>

**5. LONG TERM BORROWING**

Long term borrowings comprises of:

Particulars	As at March 31, 2016	As at March 31, 2015
Unsecured Loans from related parties		
- IL&FS Financial Service Limited	2,540,000,000	-
- IL&FS Renewable Energy Limited	31,000,000	-
<b>Total</b>	<b>2,571,000,000</b>	<b>-</b>

**6. SHORT TERM BORROWING**

Short term borrowings comprises of:

Particulars	As at March 31, 2016	As at March 31, 2015
Unsecured Loans from related parties:		
- IREL Working Capital Loan	8,668,000	20,500,000
<b>Total</b>	<b>8,668,000</b>	<b>20,500,000</b>

**7. TRADE PAYABLES**

Particulars	As at March 31, 2016	As at March 31, 2015
Sundry Creditors	52,203	3,709
<b>Total</b>	<b>52,203</b>	<b>3,709</b>

**8. OTHER CURRENT LIABILITIES**

(Amount in Rupees)

Particulars	As at March 31, 2016	As at March 31, 2015
Capital Creditors	3,817,239	88,029,600
Other Payables		
- Statutory Dues	7,731,394	79,096
- Audit Fees Payable	52,125	25,590
- Interest accrued But not due	2,024,187	689,366
<b>Total</b>	<b>13,624,945</b>	<b>88,823,652</b>



**IL&FS SOLAR POWER LIMITED**

**NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016**

**9. FIXED ASSETS**

a) Capital Work in Progress

Capital work in progress of Rs. 111,063,512/- has been incurred till March 31, 2016 as per the details given below. These expenses are incurred for

Particulars	(Amount in Rupees)		
	As at April 1, 2015	Incurred during the year	As at March 31, 2016
Legal & Professional fees	97,479,600	4,182,525	101,662,125
Travelling Foreign Expenses	2,662,170	-	2,662,170
Deputation Cost	1,222,515	-	1,222,515
Rent	847,137	-	847,137
Travelling Expenses	16,452	27,546	43,998
Interest Cost	765,962	3,859,605	4,625,567
<b>Total</b>	<b>102,993,836</b>	<b>8,069,676</b>	<b>111,063,512</b>

**10. LONG TERM LOANS AND ADVANCES**

Particulars	(Amount in Rupees)	
	As at March 31, 2016	As at March 31, 2015
(i) Loans and advances to related parties		
- IL&FS Renewable Energy Limited	1,200,000,000	
- IL&FS Wind Project Development Limited	1,250,000,000	
(ii) Advance tax	7,120,446	-
<b>Total</b>	<b>2,457,120,446</b>	<b>-</b>

**11. CASH AND CASH EQUIVALENTS**

Particulars	(Amount in Rupees)	
	As at March 31, 2016	As at March 31, 2015
Balance with banks	19,128,339	395,346
Cash in hand	4,800	6,882
<b>Total</b>	<b>19,133,139</b>	<b>402,228</b>

**12. SHORT TERM LOANS AND ADVANCES**

Particulars	(Amount in Rupees)	
	As at March 31, 2016	As at March 31, 2015
Prepaid Licence Fees	-	330
<b>Total</b>	<b>-</b>	<b>330</b>

**13. OTHER EXPENSES**

Details of Other Expenses are as given below:

Particulars	(Amount in Rupees)	
	For The Year Ended March 31, 2016	For The Year Ended March 31, 2015
Legal & Professional fees	24,851	11,292
Payments to Auditor		
- As Audit fees	57,125	56,180
Miscellaneous Expenses	15,108	9,105
<b>Total</b>	<b>97,084</b>	<b>76,577</b>





## 14. EARNINGS PER SHARE (EPS)

In accordance with the Accounting Standard 20 on "Earnings Per Share", the Basic and Diluted EPS has been computed by dividing the Profit/(Loss) After Tax by the weighted average number of equity shares outstanding for the year as under:

Particulars	(Amount in Rupees)	
	For The Year Ended March 31, 2016	For The Year Ended March 31, 2015
Profit/(loss) after tax	(97,084)	(76,577)
Weighted average number of Equity Shares in calculating Basic and Diluted EPS	50,000	50,000
<b>Basic and Diluted Earnings per Share</b>	<b>(1.94)</b>	<b>(1.53)</b>

## 15. SEGMENTAL REPORTING

The Company is operating into one business segment of Renewable Energy Projects and related services. As such there is no separate reportable business or geographical segments as per Accounting Standard 17 on "Segmental Reporting".

## 16. RELATED PARTY DISCLOSURES

- a) As per the Accounting Standard 18 on "Related Party Disclosures", the related parties are as follows:-

## ULTIMATE HOLDING COMPANY:

Infrastructure Leasing & Financial Services Limited  
IL&FS Energy Development Company Limited

## HOLDING COMPANY:

IL&FS Renewable Energy limited

## FELLOW SUBSIDIARIES: (with whom Company has transactions during the year)

IL&FS Financial Services Limited  
IL&FS Wind Development Limited

- b) The nature of transactions during the year with the above-related party were as follows:

Nature of Company	Nature of Transaction	Transaction for the year	Balance as at year end
IL&FS Renewable Energy Limited	Loan Given	2,450,000,000	1,200,000,000
		(-)	(-)
	Loan Repaid (from above)	1,250,000,000	
		(-)	
	Interest expense on Loan(CWIP)	1,402,961 (7,65,962)	2,024,187 (7,65,962)
	Interest Income on ICD (CWIP)	10,701,370 (-)	
	Interest Income on Loan (CWIP)	11,136,644 (-)	
	Working Capital Loan Repayment	1,18,32,000 (-)	
Working Capital Loan Received	3,10,00,000 (-)	39,668,000 (-)	




**IL&FS SOLAR POWER LIMITED**  
**NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016**

IL&FS Financial Services Limited	Interest on Loan (CWIP)	73,661,096 (-)	- (-)
	Loan taken	2,540,000,000 (-)	2,540,000,000 (-)
IL&FS Wind Development Projects Limited	Interest income on Loan (CWIP)	49,366,438 (-)	- (-)
	Loan given	1,250,000,000 (-)	1,250,000,000 (-)
IL&FS Energy Development Company Limited	Legal & Professional Fees (CWIP)	3,652,860 (86,000,000)	- (86,000,000)
	Current Liabilities		38,17,239 (88,029,600)

17. In accordance with the Accounting Standard 22 on "Accounting for Taxes on Income", deferred tax assets and liabilities should be recognised for all timing differences. However, considering the present financial position and requirement of the said Accounting Standard 22 regarding virtual certainty, deferred tax asset has not been recognized on accumulated business losses.
18. On the basis of the information available with the Company, there are no suppliers registered under the Micro, Small and Medium Enterprises Development Act, 2006. Hence, information as required by the said Act is not given.

Notes 1 to 18 annexed hereto forms part of the Balance Sheet and Statement of Profit and Loss

For N.M. Raiji & Co.  
Chartered Accountants  
Firm Registration No. : 108296W

  
Vinay D Balse  
Partner  
Membership no: 39434

Place: Mumbai  
Date: 25 MAY 2016



For and on behalf of the Board

  
Director

  
Director