

**INDEPENDENT AUDITOR'S REPORT****To the Members of Prathamesh Solarfarms Limited****Report on the Ind AS Financial Statements**

We have audited the accompanying Ind AS financial statements of Prathamesh Solarfarms Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2017, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement for the year 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 Ind AS financial statements that give a true and fair view of the state of affairs (financial position), profit or loss (financial performance including other comprehensive income), cash flows of the Company in accordance with accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act., read with Rule 7 of the Companies (Accounts) Rules, 2014 and the Companies (Indian Accounting Standards) Rules, 2016, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of 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 the design, implementation and maintenance of adequate internal financial control that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS 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 Ind AS 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 of the standalone Ind AS financial statements in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India, as 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 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 Ind AS 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 Ind AS 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 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 Ind AS 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 Ind AS financial statements.



**Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the Ind AS 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, 2017, its loss including other comprehensive income, its cash flows for the year ended on that date.

**Report on Other Legal and Regulatory Requirements**

1. 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 Act, we give in the Annexure 1 a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by section 143 (3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - (c) The Balance Sheet, Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
  - (d) In our opinion, the aforesaid Ind AS financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 Companies (Indian Accounting Standards) Rules, 2016, as amended;
  - (e) On the basis of written representations received from the directors as on March 31, 2017, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017, from being appointed as a director in terms of section 164 (2) of the Act;
  - (f) 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 separate Report in "Annexure 2" to this report;
  - (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company does not have any pending litigations which would impact its financial position.
    - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts – Refer Note 31 to the Ind AS financial statements.
    - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
    - iv. As per books of accounts of the Company and as represented by the management of the Company, the Company did not have cash balance as on November 8, 2016 and December 30, 2016 and has no cash dealings during this period.



# **S.R. BATLIBOI & Co. LLP**

Chartered Accountants

## **Other Matter**

The comparative financial information of the Company for the year ended March 31, 2016 and the transition date opening balance sheet as at April 1, 2015 prepared in accordance with Ind AS, included in these standalone Ind AS financial statements, have been audited by the another firm of chartered accountants . The report of the chartered accountants on the comparative financial information and the opening balance sheet dated July 19, 2017 expressed an unmodified opinion.

For **S.R. Batliboi & Co. LLP**

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

*Rajeev Sawhney*

per Rajeev Sawhney

Partner

Membership Number: 096333



Place: Gurgaon

Date: 9 AUG 2017

**Annexure 1 referred to in paragraph 1 under the heading of “Report on Other Legal and Regulatory Requirements” of our report of even date****Re: Prathamesh Solarfarms Limited (“the Company”)**

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) All fixed assets were physically verified by the management in the previous year in accordance with a planned programme of verifying them once in three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) According to the information and explanations given by the management, the title deeds of immovable properties included in property, plant and equipment are held in the name of the Company.
- (ii) The Company’s business does not involve inventories and, accordingly, the requirements under paragraph 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. Accordingly, the provisions of clause 3(iii)(a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.
- (iv) In our opinion and according to the information and explanations given to us, there are no loans, investments, guarantees, and securities given in respect of which provisions of section 185 and 186 of the Companies Act 2013 are applicable and hence not commented upon.
- (v) The Company has not accepted any deposits within the meaning of sections 73 to 76 of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.
- (vi) Since the Company has not commenced generation, transmission, distribution and supply of electricity, in our opinion, the provisions of clause 3(vi) of the Order are not applicable to the Company.
- (vii) (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including income-tax, cess and other statutory dues applicable to it. The provisions relating to provident fund, employees’ state insurance, sales-tax, service tax, duty of custom, duty of excise and value added tax are not applicable to the Company.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of income-tax, cess and other statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.
- (c) According to the information and explanations given to us, there are no dues of income tax, and cess which have not been deposited on account of any dispute.
- (viii) In our opinion and according to the information and explanations given by the management, the Company has not defaulted in repayment of loans or borrowing to a financial institution, bank or government or dues to debenture holders.



# **S.R. BATLIBOI & CO. LLP**

Chartered Accountants

- (ix) In our opinion and according to information and explanations given by the management, monies raised by the Company by way of term loans were applied for the purpose for which they were raised, though idle/surplus funds which were not required for immediate utilization have been gainfully invested in mutual funds and term deposits with banks recoverable on demand. The maximum amount of idle/surplus funds invested during the year was Rs. 457,300,000, of which Rs. 428,182,268 was outstanding at the end of the year.
- (x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud by the Company or no fraud on the Company by the officers and employees of the Company has been noticed or reported during the year.
- (xi) According to the information and explanations given by the management, the provisions of section 197 read with Schedule V of the Act are not applicable to the Company and hence reporting under clause 3(xi) are not applicable and hence not commented upon.
- (xii) In our opinion, the Company is not a nidhi company. Therefore, the provisions of clause 3(xii) of the order are not applicable to the Company and hence not commented upon.
- (xiii) According to the information and explanations given by the management, transactions with the related parties are in compliance with section 188 of the Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards. The provisions of section 177 are not applicable to the Company and accordingly reporting under clause 3(xiii) insofar as it relates to section 177 of the Companies Act, 2013 is not applicable to the Company and hence not commented upon.
- (xiv) According to the information and explanations given by the management, the Company has complied with provisions of section 42 of the Companies Act, 2013 in respect of the preferential allotment or private placement of shares/r fully or partly convertible debentures during the year. According to the information and explanations given by the management, we report that the amounts raised, have been used for the purposes for which the funds were raised.
- (xv) According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in section 192 of Companies Act, 2013.
- (xvi) According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

**For S. R. Batliboi & Co. LLP**

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

*Rajeev Sawhney*  
per Rajeev Sawhney  
Partner

Membership Number: 96333



Place: Gurgaon  
Date: 9 AUG 2017

**Annexure 2 to the independent auditor's report of even date on the financial statements of  
Prathamesh Solarfarms Limited****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 Prathamesh Solarfarms Limited ("the Company") as of March 31, 2017 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 the 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.

**Auditor's 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 as specified under section 143(10) of the Companies Act, 2013, to the extent 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 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.

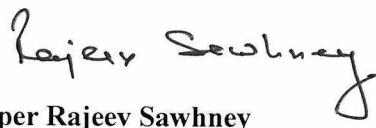
## **Opinion**

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, 2017, 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 **S.R. Batliboi & Co. LLP**

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

  
per Rajeev Sawhney  
Partner  
Membership Number: 096333



Place: Gurgaon

Date: 9 AUG 2017

**Prathamesh Solarfarms Limited**  
**Balance sheet as at March 31, 2017**  
All amounts in Rupees, unless otherwise stated

	Notes	March 31, 2017	March 31, 2016	April 01, 2015
<b>Assets</b>				
<b>Non-current assets</b>				
Property, plant and equipment	4	245,025,736	86,827,500	-
Capital work in progress	5	231,352,880	4,279,400	-
Other non-current assets	6	621,500,000	148,800,000	-
		<u>1,097,878,616</u>	<u>239,906,900</u>	<u>-</u>
<b>Current assets</b>				
Financial assets				
Investments	7	78,740,423	-	-
Cash and cash equivalents	8	5,670,719	1,301,623	-
Bank balances other than cash and cash equivalents	9	350,000,000	-	-
Other financial assets	10	2,461,314	-	-
Other current assets	11	3,500,000	-	-
Prepayments		<u>16,759,068</u>	<u>-</u>	<u>-</u>
		<u>457,131,524</u>	<u>1,301,623</u>	<u>-</u>
<b>Total assets</b>		<b><u>1,555,010,140</u></b>	<b><u>241,208,523</u></b>	<b><u>-</u></b>
<b>Equity and liabilities</b>				
<b>Equity</b>				
Equity share capital	12	182,819,500	1,400,000	-
Other equity				
Share premium	13	300,223,550	-	-
Retained earnings	13	(3,677,098)	(378,527)	-
Hedging reserves	13	(74,334,294)	-	-
Equity component of compulsorily convertible debenture	13	-	149,000,000	-
<b>Total equity</b>		<b><u>405,031,658</u></b>	<b><u>150,021,473</u></b>	<b><u>-</u></b>
<b>Non-current liabilities</b>				
Financial liabilities				
Borrowings	14	626,832,552	-	-
Other non-current financial liabilities	15	17,088,786	-	-
Deferred tax liabilities(net)	25	166,721	-	-
		<u>644,088,059</u>	<u>-</u>	<u>-</u>
<b>Current liabilities</b>				
Financial liabilities				
Borrowings	14	2,000,000	-	-
Trade payables	16	11,934,461	4,349,937	-
Other current financial liabilities	17	416,126,727	85,065,682	-
Other current liabilities	18	590,802	1,771,431	-
Liabilities for current tax (net)	25	904,139	-	-
Provisions	19	74,334,294	-	-
		<u>505,890,423</u>	<u>91,187,050</u>	<u>-</u>
<b>Total equity and liabilities</b>		<b><u>1,555,010,140</u></b>	<b><u>241,208,523</u></b>	<b><u>-</u></b>

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

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As per our report of even date

For S.R. Batliboi & Co. LLP

ICAI Firm Registration Number: 301003E/E300005

Chartered Accountants

*Rajeev Sawhney*

per Rajeev Sawhney

Partner

Membership Number: 96333



For and on behalf of the Board of Directors of  
Prathamesh Solarfarms Limited

*Rajat Kumar Gupta*

Director

DIN : 00087362

*Rohit Chauhan*

Director

DIN:07393363

*Ravi Kundanai Panja*

Chief Financial Officer

*Ankush Wadhawan*

Company Secretary

Membership Number: 21384

*Chotoo Chaudhary*

Chief Executive Officer



Place: *Gurgaon*  
Date : *9 AUG 2017*

Place: *Delhi*  
Date : *9 AUG 2017*

**Prathamesh Solarfarms Limited**  
**Statement of Profit and Loss for the year ended March 31, 2017**  
All amounts in Rupees, unless otherwise stated

	Notes	March 31, 2017	March 31, 2016
Other income	20	<b>558,156</b>	-
<b>Total income</b>		<b>558,156</b>	-
<b>Expenses</b>			
Depreciation and amortisation expense	21	294	-
Finance costs	22	8,080	1,787
Other expenses	23	2,334,833	376,740
<b>Total expense</b>		<b>2,343,207</b>	<b>378,527</b>
<b>Loss before tax</b>		(1,785,051)	(378,527)
<b>Tax expense</b>			
Current tax	25	1,346,799	-
Deferred tax	25	166,721	-
<b>Loss after tax</b>		<b>(3,298,571)</b>	<b>(378,527)</b>
<b>Loss for the year</b>		<b>(3,298,571)</b>	<b>(378,527)</b>
<b>Other comprehensive income</b>			
<b>Other comprehensive income not to be reclassified to profit or loss in subsequent periods</b>			
Net movement on cash flow hedges		(74,334,294)	-
<b>Total comprehensive income for the year, net of tax</b>		<b>(74,334,294)</b>	<b>-</b>
<b>Loss per equity share:</b>			
- Basic [Nominal value of share ₹ 10 per share]	28	(0.48)	(6.51)
- Diluted [Nominal value of share ₹10 per share]	28	(0.48)	(6.51)

The accompanying notes are an integral part of the financial statements. 3

As per our report of even date

For S.R. Batliboi & Co. LLP  
ICAI Firm Registration Number: 301003E/E300005  
Chartered Accountants

per Rajeev Sawhney  
Partner  
Membership Number: 96333



For and on behalf of the Board of Directors of  
Prathamesh Solarfarms Limited

Rajat Kumar Gupta  
Director  
DIN : 00087362

Ravi Kundanlal Taneja  
Chief Financial Officer

Ankush Wadhawan  
Company Secretary  
Membership Number: 21384

Delhi  
Place: 9 AUG 2017  
Date :

Rohit Chauhan  
Director  
DIN:07393363

Chotoo Chaudhary  
Chief Executive Officer



Gurgaon  
Place: 9 AUG 2017

**Prathamesh Solarfarms Limited**

**Statement of change in equity for the year ended March 31, 2017**

All amounts in Rupees, unless otherwise stated

**a) Equity share capital**

	No. of shares	Amount in ₹
Equity share of ₹ 10 each fully paid up		
<b>As at April 01, 2015</b>	<b>140,000</b>	<b>1,400,000</b>
Issued during the year		
<b>As at March 31, 2016</b>	<b>140,000</b>	<b>1,400,000</b>
Issued during the year		
<b>As at March 31, 2017</b>	<b>18,141,950</b>	<b>181,419,500</b>
	<b>18,281,950</b>	<b>182,819,500</b>

**b) Other equity**

	Equity component of compulsorily convertible debentures	Reserve and surplus			Total equity
		Share premium	Retained earnings	Cash flow hedge reserve	
<b>As at April 1 2015</b>	-	-	-	-	-
Add: Equity component of compulsorily convertible debentures	149,000,000	-	(378,527)	-	148,621,473
<b>Balance as at March 31, 2016</b>	<b>149,000,000</b>	-	<b>(378,527)</b>	-	<b>148,621,473</b>
Add: Loss for the year	-	-	(3,298,571)	-	(3,298,571)
Add: Issue of share capital (Note 13)	(149,000,000)	300,223,550	-	-	151,223,550
Add: Fair value changes on derivatives designated as cash flow hedge (Note 32)	-	-	-	(74,334,294)	(74,334,294)
<b>Balance as at March 31, 2017</b>	<b>-</b>	<b>300,223,550</b>	<b>(3,677,098)</b>	<b>(74,334,294)</b>	<b>222,212,158</b>

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

As per our report of even date

**For S.R. Batliboi & Co. LLP**

ICAI Firm Registration Number: 301003E/E300005  
Chartered Accountants

per Rajeev Sawhney  
Partner  
Membership Number: 96333



For and on behalf of the Board of Directors of  
Prathamesh Solarfarms Limited

Rajat Kumar Gupta  
Director  
DIN : 00087362

Rohit Chauhan  
Director  
DIN:07393363

Ravi Kundanlal Taneja  
Chief Financial Officer

Chotoo Chaudhary  
Chief Executive Officer

Ankush Wadhawan  
Company Secretary  
Membership Number: 21384



Place: Gurugao  
Date : 9 AUG 2017

Place: Delhi  
Date : 9 AUG 2017

**Prathamesh Solarfarms Limited**  
**Cash flow statement for the year ended March 31, 2017**  
All amounts in Rupees, unless otherwise stated

	March 31, 2017	March 31, 2016
<b>Cash flow from operating activities</b>		
Loss before tax from continuing operations	(1,785,051)	(378,527)
Adjustments to reconcile profit before tax to net cash flows		
-Finance costs	-	1,787
-Depreciation and amortisation expense	294	-
-Fair value gain on financial instruments at fair value through profit or loss	(558,156)	-
<b>Operating profit/(loss) before working capital changes</b>	(2,342,913)	(376,740)
Movements in working capital:		
- (Increase)/Decrease in prepayments	(16,759,068)	-
- (Increase)/Decrease in other assets	(3,500,000)	-
- (Decrease)/Increase in trade payable/other payables	6,403,895	91,187,050
<b>Cash used in operations</b>	(16,198,086)	90,810,310
<b>Direct tax paid (net of refunds)</b>	(442,660)	-
<b>Net cash flow used in operating activities (a)</b>	<b>(16,640,746)</b>	<b>90,810,310</b>
<b>Cash flow from investing activities</b>		
Purchase of current investments	(164,800,000)	-
Sale of current investments	86,617,733	-
Payments for property, plant and equipment	(512,181,106)	(239,906,900)
Investment made in deposits	(350,000,000)	-
<b>Net cash flow used in investing activities (b)</b>	<b>(940,363,373)</b>	<b>(239,906,900)</b>
<b>Cash flows generated from financing activities</b>		
Proceeds from equity share capital (including share premium)	481,643,050	1,400,000
Interest/finance expense	-	(1,787)
Proceeds from long-term borrowings	530,500,000	149,000,000
Ancillary cost of borrowings	(50,769,835)	-
<b>Net cash generated from financing activities (c)</b>	<b>961,373,215</b>	<b>150,398,213</b>
Net decrease in cash and cash equivalents (a+b+c)	4,369,096	1,301,623
Cash and cash equivalents at the beginning of the period	1,301,623	-
<b>Cash and cash equivalents at year end</b>	<b>5,670,719</b>	<b>1,301,623</b>
<b>Components of cash and cash equivalents</b>		
Balance with banks :		
- On current account	5,670,719	1,301,623
	<b>5,670,719</b>	<b>1,301,623</b>

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

As per our report of even date

For S.R. Batliboi & Co. LLP  
ICAI Firm Registration Number: 301003E/E300005

Chartered Accountants

*Rajeev Sawhney*  
per Rajeev Sawhney  
Partner  
Membership Number: 96333



For and on behalf of the Board of Directors of  
Prathamesh Solarfarms Limited

*Rajat Kumar Gupta*  
Rajat Kumar Gupta  
Director  
DIN : 00087362

*Ravi Kundan Taneja*  
Ravi Kundan Taneja  
Chief Financial Officer

*Ankush Wadhawan*  
Ankush Wadhawan  
Company Secretary  
Membership Number: 21384

*Delhi*  
Place: Delhi  
Date : 9 AUG 2017

*Rohit Chauhan*  
Rohit Chauhan  
Director  
DIN:07393363

*Chotoo Chaudhary*  
Chotoo Chaudhary  
Chief Executive Officer



*Gurgaon*  
Place: Gurgaon  
Date : 9 AUG 2017

## **Prathamesh Solarfarms Limited**

**Notes to financial statements for the year ended March 31, 2017**

All amount in Rupees, unless stated otherwise

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### **1. Corporate information**

Prathamesh Solarfarms Limited ('the Company') is a company domiciled in India and is incorporated in India under the provisions of Companies Act applicable in India. The Company is in the business of generation of electricity through solar energy and is operating as a renewable energy Independent Power Producer ('IPP'). The Company is setting up a 50 MW solar photovoltaic electric generating power plant at Wanaparthy, District Mahbubnagar, Telangana.

### **2. Basis of preparation**

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015, as amended

For all periods, up to and including the year ended March 31, 2016, the Company prepared its financial statements in accordance accounting standards notified under the section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP). These financial statements for the year ended March 31, 2017 are the first the Company has prepared in accordance with Ind AS Refer to Note 4 for information on adoption of Ind AS.

The financial statements have been prepared on a historical basis, except for the following assets and liabilities which have been measured at fair values:

- a) Derivative financial instruments
- b) Certain financial assets and liabilities measured at fair value

### **3. Summary of significant accounting policies**

#### **a. Current versus non-current classification**

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalents unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is treated as current when:

- It is expected to be settled in normal operating cycle
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and non-current liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle.



**b. Fair value measurement**

The Company measures financial instruments at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

At each reporting date, the Company analyses the movements in the values of assets and liabilities which are required to be remeasured or re-assessed as per the Company's accounting policies. For this analysis, the Company verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

This note summarises accounting policy for fair value. Other fair value related disclosures are given in the relevant notes.

**c. Revenue recognition**

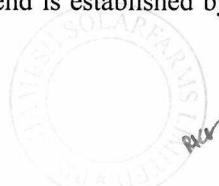
Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government.

**Interest income**

Interest income is recognized on a time proportion basis taking into account the amount outstanding and the applicable interest rate. Interest income is included under the head "other income" in the statement of profit and loss.

**Dividend income**

Dividend income is recognized when the Company's right to receive dividend is established by the reporting date.



**Prathamesh Solarfarms Limited**

**Notes to financial statements for the year ended March 31, 2017**

All amount in Rupees, unless stated otherwise

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**d. Foreign currencies**

**Initial recognition**

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

**Conversion**

Foreign currency monetary items are translated using the exchange rate prevailing at the reporting date. Non-monetary items, which are measured in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of the transaction. Non-monetary items, which are measured at fair value or other similar valuation denominated in a foreign currency, are translated using the exchange rate at the date when such value was determined.

**Exchange differences**

The Company accounts exchange differences as income or as expense in the period in which they arise.

**e. Taxes**

**Current income tax**

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws are used to compute the amount are those that are enacted or substantially enacted at the reporting date.

Current income tax relating to items recognised outside profit or loss is recognised either in other comprehensive income or in equity. Current tax items are recognised in correlation to the underlying transaction either in other comprehensive income ('OCI') or directly in equity. Management periodically evaluates the positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

**Deferred tax**

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.



**f. Property, plant and equipment**

The Company has elected to continue with the carrying value for all of its property, plant and equipment as recognised in its Indian GAAP financial statements as deemed cost at the transition date, viz., April 01, 2015.

Capital work-in-progress comprises of the cost of property, plant and equipment that are not yet ready for their intended use as at the balance sheet date.

All other repairs and maintenance costs are recognised in the statement of profit and loss when they are incurred.

Land and buildings are measured at fair value less accumulated depreciation on buildings and impairment losses recognised at the date of revaluation. Valuations are performed with sufficient frequency to ensure that the carrying amount of a revalued asset does not differ materially from its fair value.

Gains or losses arising from derecognition of fixed assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset on the date of disposal and are recognised in the statement of profit and loss when the asset is derecognised.

Depreciation on property, plant and equipment of the Company is provided as per Part C of schedule II of Companies Act, 2013.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

**g. Intangible assets**

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

**h. Borrowing costs**

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.



**i. Provisions**

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

**j. Financial instruments**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

**Financial assets**

**Initial recognition and measurement**

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

**Subsequent measurement**

For purposes of subsequent measurement, financial assets are classified in following categories: -

**Debt instruments are measured at amortised cost.**

A ‘debt instrument’ is measured at the amortised cost if both the following conditions are met:

- a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the statement of profit and loss. The losses arising from impairment are recognised in the statement of profit and loss. This category generally applies to trade and other receivables.

**Debt instrument at FVTPL**

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL. In addition, the Company may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as ‘accounting mismatch’). The Company has not designated any debt instrument as at FVTPL. Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss.

**Financial liabilities**

**Initial recognition and measurement**

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings and payables

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.



**Prathamesh Solarfarms Limited**

**Notes to financial statements for the year ended March 31, 2017**

All amount in Rupees, unless stated otherwise

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts.

**Subsequent measurement**

The measurement of financial liabilities depends on their classification, as described below:

**Financial liabilities at fair value through profit or loss**

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognised in the profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as fair value through profit or loss ('FVTPL'), fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/ loss are not subsequently transferred to Profit and Loss. However, the company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit or loss. The company has not designated any financial liability as at fair value through profit and loss.

The Company has not designated any financial liability as at FVTPL.

**k. Derivative financial instruments and hedge accounting**

**Initial recognition and subsequent measurement**

The Company uses derivative financial instruments, such as forward currency contracts, to hedge its foreign currency risks. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

The purchase contracts that meet the definition of a derivative under Ind AS 109 are recognised in the statement of profit and loss.

Any gains or losses arising from changes in the fair value of derivatives are taken directly to profit or loss, except for the effective portion of cash flow hedges, which is recognised in OCI and later reclassified to profit or loss when the hedge item affects profit or loss or treated as basis adjustment if a hedged forecast transaction subsequently results in the recognition of a non-financial asset or non-financial liability.

For the purpose of hedge accounting, hedges are classified as:

- Fair value hedges when hedging the exposure to changes in the fair value of a recognised asset or liability or an unrecognised firm commitment
- Cash flow hedges when hedging the exposure to variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction or the foreign currency risk in an unrecognised firm commitment



► Hedges of a net investment in a foreign operation

At the inception of a hedge relationship, the Company formally designates and documents the hedge relationship to which the Company wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The documentation includes the Company's risk management objective and strategy for undertaking hedge, the hedging/ economic relationship, the hedged item or transaction, the nature of the risk being hedged, hedge ratio and how the entity will assess the effectiveness of changes in the hedging instrument's fair value in offsetting the exposure to changes in the hedged item's fair value or cash flows attributable to the hedged risk. Such hedges are expected to be highly effective in achieving offsetting changes in fair value or cash flows and are assessed on an ongoing basis to determine that they actually have been highly effective throughout the financial reporting periods for which they were designated.

Hedges that meet the strict criteria for hedge accounting are accounted for, as described below:

**Fair value hedges**

The change in the fair value of a hedging instrument is recognised in the statement of profit and loss as finance costs. The change in the fair value of the hedged item attributable to the risk hedged is recorded as part of the carrying value of the hedged item and is also recognised in the statement of profit and loss as finance costs.

For fair value hedges relating to items carried at amortised cost, any adjustment to carrying value is amortised through profit or loss over the remaining term of the hedge using the EIR method. EIR amortisation may begin as soon as an adjustment exists and no later than when the hedged item ceases to be adjusted for changes in its fair value attributable to the risk being hedged.

If the hedged item is derecognised, the unamortised fair value is recognised immediately in profit or loss. When an unrecognised firm commitment is designated as a hedged item, the subsequent cumulative change in the fair value of the firm commitment attributable to the hedged risk is recognised as an asset or liability with a corresponding gain or loss recognised in profit and loss.

**Cash flow hedges**

The effective portion of the gain or loss on the hedging instrument is recognised in OCI in the cash flow hedge reserve, while any ineffective portion is recognised immediately in the statement of profit and loss.

The Company uses forward currency contracts as hedges of its exposure to foreign currency risk in forecast transactions and firm commitments.

Amounts recognised as OCI are transferred to profit or loss when the hedged transaction affects profit or loss, such as when the hedged financial income or financial expense is recognised or when a forecast sale occurs. When the hedged item is the cost of a non-financial asset or non-financial liability, the amounts recognised as OCI are transferred to the initial carrying amount of the non-financial asset or liability.

If the hedging instrument expires or is sold, terminated or exercised without replacement or rollover (as part of the hedging strategy), or if its designation as a hedge is revoked, or when the hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss previously recognised in OCI remains separately in equity until the forecast transaction occurs or the foreign currency firm commitment is met.

**Hedges of a net investment**

Hedges of a net investment in a foreign operation, including a hedge of a monetary item that is accounted for as part of the net investment, are accounted for in a way similar to cash flow hedges. Gains or losses on the hedging instrument relating to the effective portion of the hedge are recognised as OCI while any gains or losses relating to the ineffective portion are recognised in the statement of profit or loss. On disposal of the foreign operation, the cumulative value of any such gains or losses recorded in equity is reclassified to the statement of profit or loss (as a reclassification adjustment).



## **I. Loans and borrowings**

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in the statement of profit and loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

This category generally applies to borrowings.

## **m. Compulsorily convertible debentures**

### **Compound**

Compulsorily convertible debentures are separated into liability and equity components based on the terms of the contract.

On issuance of the compulsorily convertible debentures, the fair value of the liability component is determined using a market rate for an equivalent non-convertible instrument. This amount is classified as a financial liability measured at amortised cost (net of transaction costs) until it is extinguished on conversion or redemption.

The remainder of the proceeds is allocated to the conversion option that is recognised and included in equity since conversion option meets Ind AS 32 criteria for fixed to fixed classification. Transaction costs are deducted from equity, net of associated income tax. The carrying amount of the conversion option is not remeasured in subsequent years.

Transaction costs are apportioned between the liability and equity components of the compulsorily convertible debentures based on the allocation of proceeds to the liability and equity components when the instruments are initially recognised.

### **Hybrid**

Compulsorily convertible debentures where there is a floor conversion price are designated as hybrid contracts. The value of the host contract and embedded derivative is recognised separately.

An embedded derivative is a component of a hybrid (combined) instrument that also includes a non-derivative host contract – with the effect that some of the cash flows of the combined instrument vary in a way similar to a stand-alone derivative. An embedded derivative causes some or all of the cash flows that otherwise would be required by the contract to be modified according to a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable, provided in the case of a non-financial variable that the variable is not specific to a party to the contract. Reassessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required or a reclassification of a financial asset out of the fair value through profit or loss. If the hybrid contract contains a host that is a financial asset within the scope of Ind AS 109, the Company does not separate embedded derivatives. Rather, it applies the classification requirements contained in Ind AS 109 to the entire hybrid contract. Derivatives embedded in all other host contracts are accounted for as separate derivatives and recorded at fair value if their economic characteristics and risks are not closely related to those of the host contracts and the host contracts are not held for trading or designated at fair value through profit or loss. These embedded derivatives are measured at fair value with changes in fair value recognised in profit or loss, unless designated as effective hedging instruments.



**Prathamesh Solarfarms Limited**

**Notes to financial statements for the year ended March 31, 2017**

All amount in Rupees, unless stated otherwise

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**n. Earnings/ (loss) per share**

Basic earnings / (loss) per share are calculated by dividing the net profit / (loss) for the period attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period are adjusted for any bonus shares issued during the year and also after the balance sheet date but before the date the financial statements are approved by the board of directors for the purpose of calculating diluted earnings / (loss) per share. The net profit / (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.

The number of equity shares and potentially dilutive equity shares are adjusted for bonus shares as appropriate. The dilutive potential equity shares are adjusted for the proceeds receivable, had the shares been issued at fair value. Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date.

**o. Cash and cash equivalents**

Cash and cash equivalents in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.



**Prathamesh Solarfarms Limited**  
**Notes to financial statements for the year ended March 31, 2017**  
All amounts in Rupees, unless otherwise stated

**4. Property, plant and equipment\***

	Freehold land	Computers	Total
<b>Cost or valuation</b>			
<b>Gross block</b>			
<b>As at April 1, 2015</b>			
Additions	86,827,500	-	86,827,500
Disposals	-	-	-
Adjustments	-	-	-
As at April 1, 2016	86,827,500	-	86,827,500
Additions	158,172,500	26,030	158,198,530
Disposals	-	-	-
<b>As at March 31, 2017</b>	<b>245,000,000</b>	<b>26,030</b>	<b>245,026,030</b>
<b>Depreciation</b>			
<b>As at April 1, 2015</b>			
For the year	-	-	-
Disposals	-	-	-
As at April 1, 2016	-	-	-
For the year	-	294	294
Disposals	-	-	-
<b>As at March 31, 2017</b>	<b>-</b>	<b>294</b>	<b>294</b>
<b>Net book value</b>			
As at March 31, 2016	86,827,500	-	86,827,500
<b>As at March 31, 2017</b>	<b>245,000,000</b>	<b>25,736</b>	<b>245,025,736</b>

\* Property, plant and equipment with a carrying amount of ₹245,025,736 is subject to a first charge to secure the Company's term loan.



**Prathamesh Solarfarms Limited**

Notes to financial statements for the year ended March 31, 2017

All amounts in Rupees, unless otherwise stated

**5 Capital work in progress**

	<b>March 31, 2017</b>	<b>March 31, 2016</b>	<b>April 01, 2015</b>
Cost of construction	<b>195,391,158</b>	-	-
Expenditure during construction (Note 24)	<b>35,961,722</b>	4,279,400	-
<b>Total capital work in progress</b>	<b>231,352,880</b>	4,279,400	-

**6 Other assets**

	<b>March 31, 2017</b>	<b>March 31, 2016</b>	<b>April 01, 2015</b>
<b>Unsecured considered good</b>			
Capital advances (Note 38)	<b>621,500,000</b>	148,800,000	-
<b>Total other non current assets</b>	<b>621,500,000</b>	148,800,000	-

**7 Investments**

	<b>March 31, 2017</b>	<b>March 31, 2016</b>	<b>April 01, 2015</b>
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**Non-trade investments (valued at fair value through FVTPL)**

Unquoted mutual funds			
39,853.934 units (March 31, 2016: Nil) units of ₹10 each fully paid-up of IDFC Cash Fund- Growth (Direct Plan)	<b>78,740,423</b>	-	-
<b>Total investments</b>	<b>78,740,423</b>	-	-

Aggregate amount of quoted investments

Aggregate amount of unquoted investments	<b>78,740,423</b>	-	-
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**8 Cash and cash equivalents**

	<b>March 31, 2017</b>	<b>March 31, 2016</b>	<b>April 01, 2015</b>
Balances with banks:			
On current accounts	<b>5,670,719</b>	1,301,623	-
<b>Total cash and bank equivalents</b>	<b>5,670,719</b>	1,301,623	-

For the purpose of the statement of cash flows, cash and cash equivalents comprise the following:

Balances with banks:			
- On current accounts	<b>5,670,719</b>	1,301,623	-
<b>Total cash and bank equivalents</b>	<b>5,670,719</b>	1,301,623	-

**9 Bank balances other than cash and cash equivalents**

	<b>March 31, 2017</b>	<b>March 31, 2016</b>	<b>April 01, 2015</b>
Balances with banks:			
Deposits with remaining maturity for less than 12 months	<b>350,000,000</b>	-	-
<b>Total bank balances other than cash and cash equivalents</b>	<b>350,000,000</b>	-	-

Short term deposits are made for varying periods between one day and three months, depending on the immediate cash requirements of the Company and earn interest at the respective short-term deposit rates.

The company has pledged a part of its deposits to fulfill collateral requirements.

**10 Other financial assets**

	<b>March 31, 2017</b>	<b>March 31, 2016</b>	<b>April 01, 2015</b>
Interest accrued on fixed deposits	<b>2,461,314</b>	-	-
<b>Total other financial assets</b>	<b>2,461,314</b>	-	-

**11 Other assets**

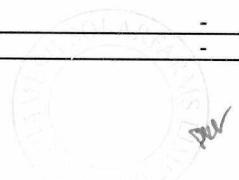
	<b>March 31, 2017</b>	<b>March 31, 2016</b>	<b>April 01, 2015</b>
TDS deposited in advance	<b>3,500,000</b>	-	-
<b>Total other assets</b>	<b>3,500,000</b>	-	-

**Break up of financial assets carried at amortised cost:**

	<b>March 31, 2017</b>	<b>March 31, 2016</b>	<b>April 01, 2015</b>
Cash and cash equivalents (Note 8)	<b>5,670,719</b>	1,301,623	-
Bank balances other than cash and cash equivalents (Note 9)	<b>350,000,000</b>	-	-
<b>Other financial assets</b>			
Interest accrued on fixed deposits (Note 10)	<b>2,461,314</b>	-	-
<b>Total financial assets carried at amortised cost</b>	<b>358,132,033</b>	1,301,623	-

**Break up of financial assets carried at FVTPL:**

	<b>March 31, 2017</b>	<b>March 31, 2016</b>	<b>April 01, 2015</b>
Investments	<b>78,740,423</b>	-	-
<b>Total financial assets carried at FVTPL</b>	<b>78,740,423</b>	-	-



**Prathamesh Solarfarms Limited**

**Notes to financial statements for the year ended March 31, 2017**

All amounts in Rupees, unless otherwise stated

March 31, 2017	March 31, 2016	April 01, 2015
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**12. Share capital**

**Authorised capital**

20,000,000 (March 31, 2016 : 1,150,000) equity shares of ₹10 each	200,000,000	11,500,000	-
	<u>200,000,000</u>	<u>11,500,000</u>	<u>-</u>

**Issued, subscribed and paid up**

18,281,950 (March 31, 2016 : 140,000) equity shares of ₹10 each	182,819,500	1,400,000	-
Total issued, subscribed and fully paid up share capital	<u>182,819,500</u>	<u>1,400,000</u>	<u>-</u>

**(a) Reconciliation of the shares outstanding at the beginning and at the end of reporting period**

	March 31, 2017		March 31, 2016	
	Numbers	Rs.	Numbers	Numbers
<b>Equity shares</b>				
At the beginning of the period	140,000	1,400,000	-	-
Issued during the period	<u>18,141,950</u>	<u>181,419,500</u>	140,000	1,400,000
Outstanding at the end of period	<u>18,281,950</u>	<u>182,819,500</u>	140,000	1,400,000

**(b) Terms/ rights attached to equity shares**

The Company has only one class of equity shares having par value of ₹10 per share. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the Company the holders of equity shares will be entitled to receive remaining assets of the Company after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

**(c) Shares held by holding /ultimate holding company and/or their subsidiaries**

Equity shares	March 31, 2017		March 31, 2016	
	Numbers	Rs.	Numbers	Rs.
Suzlon Energy Limited, the Holding Company	9,323,800	93,238,000	140,000	1,400,000
	<u>9,323,800</u>	<u>93,238,000</u>	140,000	1,400,000

**(d) Details of shareholders holding more than 5 percent shares in the Company**

Equity shares	March 31, 2017		March 31, 2016	
	Numbers	% of holding	Numbers	% of holding
Suzlon Energy Limited, the Holding Company.	9,323,800	51.00%	140,000	100.00%
Ostro Energy Private Limited	<u>8,958,150</u>	<u>49.00%</u>	-	-

As per records of the Company including its register of shareholders/ members and other declarations received from shareholders regarding beneficial interest the above shareholding represents both legal and beneficial ownership of shares.



**Prathamesh Solarfarms Limited**

Notes to financial statements for the year ended March 31, 2017

All amounts in Rupees, unless otherwise stated

**13 Other equity**

	March 31, 2017	March 31, 2016	April 01, 2015
<b>Share premium</b>			
Balance as per the last financial statements	-	-	-
Add: Premium on issue of equity shares	<b>300,223,550</b>	-	-
<b>Closing balance</b>	<b>300,223,550</b>	-	-
<b>Retained earnings</b>			
Statement of profit and loss			
Balance as per the last financial statements	<b>(378,527)</b>	-	-
Add : Net loss for the year	<b>(3,298,571)</b>	<b>(378,527)</b>	-
<b>Net deficit in the statement of profit and loss</b>	<b>(3,677,098)</b>	<b>(378,527)</b>	-
<b>Hedging reserve* (Note 31)</b>			
Effective portion of cash flow hedges			
Balance as per the last financial statements	-	-	-
Fair value changes on derivatives designated as cash flow hedge	<b>(74,334,294)</b>	-	-
<b>Closing balance</b>	<b>(74,334,294)</b>	-	-
<b>Equity component of compulsorily convertible debentures</b>			
As per last balance sheet	<b>149,000,000</b>	-	-
Equity component of compulsorily convertible debentures		149,000,000	-
Less: Converted into equity shares during the year	<b>(149,000,000)</b>	-	-
<b>Closing balance</b>	<b>-</b>	<b>149,000,000</b>	

\* This represents effective portion of cash flow hedge, The period of such reserve will be similar to maturity period of underlying letter of credits.



**Prathamesh Solarfarms Limited**  
**Notes to financial statements for the year ended March 31, 2017**  
All amounts in Rupees, unless otherwise stated

	<b>March 31, 2017</b>	March 31, 2016	April 01, 2015
<b>14 Borrowings</b>			
Non current borrowings			
Secured			
Term loans from banks and financial institutions	<b>14,73,32,552</b>	-	-
	<b>14,73,32,552</b>	-	-
Unsecured			
10.7% Compulsorily Convertible Debentures	<b>47,95,00,000</b>	-	-
	<b>47,95,00,000</b>	-	-
<b>Total non current borrowings</b>	<b>62,68,32,552</b>	-	-
	<b>62,68,32,552</b>	-	-
	<b>March 31, 2017</b>	March 31, 2016	April 01, 2015
Current borrowings			
Current maturity of term loans from banks and financial institutions	<b>20,00,000</b>	-	-
<b>Total non current borrowings</b>	<b>20,00,000</b>	-	-
Aggregate secured borrowings	<b>14,73,32,552</b>	-	-
Aggregate unsecured borrowings	<b>47,95,00,000</b>	-	-
	<b>62,68,32,552</b>	-	-

**Compulsorily convertible debentures**

4,795,000 (March 31, 2016: 1,490,000) Compulsory Convertible Debentures ('CCDs') of ₹100 each carries interest rate of 10.70% per annum commencing from 24 months from the date of allotment. The board of directors may at anytime prior to the conversion date, pay any accrued interest or portion thereof. CCDs will mandatorily convert after 10 years from the date of issue at a conversion price, to be determined by a valuer. These can be voluntarily converted by the Company or the holder of the CCDs at any time before the mandatory conversion date. Equity shares of ₹10 each equivalent to face value of CCDs and any accrued and unpaid interest will be issued.

**Term loans from banks and financial institutions**

The Company has availed a long term loan facility for an amount upto ₹ 3,030,000,000 (March 31, 2016: Nil) at rate of interest of L&T Infra PLR + Spread(-4%) currently at 11.50% per annum. This loan has been secured against mortgage and charge over all the immovable properties and movable properties present and future, all current assets, intangible assets, cash flows of the Company, assignment of all insurance policies, project documents, rights, titles, permits, etc., pledge and non disposal undertaking of present and future equity shares and CCDs. The loan is repayable in 68 quarterly instalments. During the year, the Company has availed a loan of ₹ 200,000,000 (March 31, 2016: Nil) out of Rupee term loan facility of ₹ 3,030,000,000 .

**Loan covenants**

The term loan contains certain covenants relating to utilisation and disbursement of the facility, maintenance of debt equity ratio, restricted payments, security interests and disposal of assets, share capital . The financial covenants debt service coverage ratio and debt equity ratio are to be determined and complied with after completion of one year of operations post COD and thereafter annually .The company has also satisfied all other debt covenants prescribed in the terms of loan.



**Prathamesh Solarfarms Limited**

**Notes to financial statements for the year ended March 31, 2017**

All amounts in Rupees, unless otherwise stated

**15 Other financial liabilities (Non current)**

	<b>March 31, 2017</b>	<b>March 31, 2016</b>	<b>April 01, 2015</b>
<b>Financial liability at amortised cost</b>			
Interest accrued but not due on debentures	<b>17,088,786</b>	-	-
<b>Total other financial liabilities (Non current)</b>	<b>17,088,786</b>	-	-

**16 Trade payables**

	<b>March 31, 2017</b>	<b>March 31, 2016</b>	<b>April 01, 2015</b>
Trade payables	<b>2,696,915</b>	73,150	-
Trade payables to related parties (Note 30)	<b>9,237,546</b>	4,276,787	-
<b>Total trade payables</b>	<b>11,934,461</b>	4,349,937	-

**17 Other current financial liabilities**

	<b>March 31, 2017</b>	<b>March 31, 2016</b>	<b>April 01, 2015</b>
<b>Financial liability at amortised cost</b>			
Other financial liabilities			
Interest accrued on borrowings (Note 30)	-	2,613	-
Creditors for capital goods payable to related parties (Note 30)	<b>416,126,727</b>	85,063,069	-
<b>Total other current financial liabilities</b>	<b>416,126,727</b>	85,063,069	-

**Terms and conditions of the above financial liabilities:**

- a) Trade payables are non-interest bearing and are normally settled within 0 to 60 day terms.
- b) For terms and conditions with related parties, refer Note 30.

**Break up of financial liabilities carried at amortised cost:**

	<b>March 31, 2017</b>	<b>March 31, 2016</b>	<b>April 01, 2015</b>
Borrowings (non current) (Note 14)	<b>626,832,552</b>	-	-
Creditors for capital goods payable to related parties (Note 30)	<b>416,126,727</b>	85,063,069	-
Interest accrued on borrowings (Note 30)	-	2,613	-
Interest accrued but not due on debentures (Note 15)	<b>17,088,786</b>	-	-
<b>Total financial liabilities carried at amortised cost</b>	<b>1,060,048,065</b>	85,063,069	-

**18 Other current liabilities**

Other non-financial liabilities		
Statutory dues	<b>590,802</b>	1,771,431
<b>Total other current liabilities</b>	<b>590,802</b>	1,771,431

**19 Provisions**

	<b>March 31, 2017</b>	<b>March 31, 2016</b>	<b>April 01, 2015</b>
Provision for mark-to-market losses on derivative contracts	<b>74,334,294</b>	-	-
<b>Total provisions</b>	<b>74,334,294</b>	-	-

Current

**74,334,294**

-

-

Non-current

-

-



**Prathamesh Solarfarms Limited**

**Notes to financial statements for the year ended March 31, 2017**

All amounts in Rupees, unless otherwise stated

**20 Other income**

**Interest income**

Fair value gain on financial instruments at fair value through profit or loss

	<b>March 31, 2017</b>	March 31, 2016
	<b>5,58,156</b>	-
	<b>5,58,156</b>	-

The above relates to fair value of investments in mutual funds.

**21 Depreciation and amortisation expense**

Depreciation of property, plant and equipment (Note 4)

	<b>March 31, 2017</b>	March 31, 2016
	<b>294</b>	-
	<b>294</b>	-

**22 Finance costs #**

Bank charges

	<b>March 31, 2017</b>	March 31, 2016
	<b>8,080</b>	1,787
	<b>8,080</b>	1,787

**23 Other expenses #**

Power and fuel

Rates and taxes

Travelling and conveyance

Communication expenses

Payment to auditors

As auditor:

-Audit fees

Consultancy charges

Printing and stationery

Miscellaneous expenses

	<b>March 31, 2017</b>	March 31, 2016
	<b>1,094</b>	-
	<b>19,42,947</b>	-
	<b>10,104</b>	-
	<b>13,405</b>	-
	<b>2,87,500</b>	80,150
	<b>68,074</b>	2,96,590
	<b>4,125</b>	-
	<b>7,584</b>	-
	<b>23,34,833</b>	3,76,740

# Directly attributable income/expenses in relation to project under construction have been transferred to capital work in progress (Note 24)



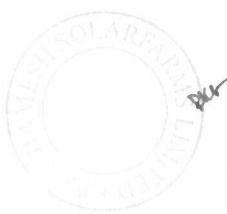
**Prathamesh Solarfarms Limited**

**Notes to financial statements for the year ended March 31, 2017**

All amounts in Rupees, unless otherwise stated

**24. Expenditure during construction**

	March 31, 2017	March 31, 2016	April 01, 2015
<b>Opening balance at the beginning of the year</b>	<b>4,279,400</b>	-	-
<b>Finance costs</b>			
Interest expenses	19,715,395	-	-
Commission on letter of credit	12,436,088	-	-
Other finance expenses	-	4,154,400	-
<b>A</b>	<b>36,430,883</b>	4,154,400	-
<b>Other expenses</b>			
Legal and professional expenses	2,971,220	-	-
Rates and taxes	963	-	-
Rent	133,153	-	-
Travelling and conveyance expenses	934,371	-	-
Miscellaneous expenses	-	125,000	-
<b>B</b>	<b>4,039,707</b>	125,000	-
<b>Other income</b>			
Interest income on bank deposits	(4,426,601)	-	-
Net gain on sale of current investments	(82,267)	-	-
<b>C</b>	<b>(4,508,868)</b>	-	-
<b>(A+B+C)</b>	<b>35,961,722</b>	4,279,400	-



**Prathamesh Solarfarms Limited**

**Notes to financial statements for the year ended March 31, 2017**

All amounts in Rupees, unless otherwise stated

**Note 25: Income tax**

The major components of income tax expense for the years ended March 31, 2017 and March 31, 2016 are:

	<b>March 31, 2017</b>	<b>March 31, 2016</b>
<b>Profit or loss section</b>		
Current tax	1,346,799	-
<b>Deferred tax:</b>		
Relating to origination and reversal of temporary differences	166,721	-
<b>Income tax expense reported in the statement of profit or loss</b>	<b>1,513,520</b>	-
<b>Total tax expenses</b>	<b>1,513,520</b>	-
<b>Reconciliation of tax expense and the accounting profit multiplied by Company's statutory income tax rate for March 31, 2017 and March 31, 2016</b>		
Accounting loss before income tax	(1,785,051)	-
At Company's statutory income tax rate	29.870%	-
At the effective income tax rate of 29.870%	(533,196)	-
<b>Tax effect of expenses that are not deductible in determining taxable profit:</b>		
<b>Pre commissioning expenses disallowed</b>		
Finance costs	2,414	-
Depreciation	88	-
Other expenses	697,415	-
<b>Tax effect of expenses directly attributable income in relation to project under construction which has been transferred to capital work in progress</b>		
Interest income on bank deposits	1,322,226	-
Net gain on sale of current investments	24,573	-
<b>Tax expense</b>	<b>1,513,520</b>	-
<b>Income tax expense reported in the statement of profit and loss</b>	<b>1,513,520</b>	-
<b>Deferred tax</b>		
Deferred tax relates to the following:		
Revaluations of investment to fair value	<b>166,721</b>	-
	<b>166,721</b>	-
<b>Reflected in the balance sheet as follows:</b>		
Liabilities for current tax	1,346,799	-
Less: Advance income tax	442,660	-
<b>Liabilities for current tax (net)</b>	<b>904,139</b>	-
Deferred tax liabilities (net)	166,721	-

**Note 26: Component of OCI**

The disaggregation of changes to OCI by each type of reserve in equity is shown below:

	<b>Retained earnings</b>	<b>Total</b>
<b>During the year ended March 31, 2017</b>		
Net movement on cash flow hedges	(74,334,294)	(74,334,294)
	<b>(74,334,294)</b>	<b>(74,334,294)</b>
<b>During the year ended March 31, 2016</b>		
Net movement on cash flow hedges	-	-
	<b>-</b>	<b>-</b>



**Prathamesh Solarfarms Limited****Notes to financial statements for the year ended March 31, 2017**

All amount in Rupees, unless stated otherwise

**27. Details of Specified Bank Notes (SBN) held and transacted during the period November 8, 2016 to December 30, 2016**

	SBNs	Other denomination notes	Total
Closing cash in hand as on November 8, 2016	-	-	-
(+) Permitted receipts	-	-	-
(-) Permitted payments	-	-	-
(-) Amount deposited in banks	-	-	-
Closing cash in hand as on December 30, 2016	-	-	-

**28. Earnings per share**

Basic earnings per share amounts are calculated by dividing the profit/ (loss) for the year attributable to equity holders of the Company by the weighted average number of equity shares outstanding during the year.

Diluted earnings per share amounts are calculated by dividing the profit/ (loss) attributable to equity holders of the Company (after adjusting for interest on the compulsorily convertible debentures) by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares.

	March 31, 2017	March 31, 2016
<b>Basic</b>		
Loss after tax	(3,298,570)	(378,527)
Weighted average number of equity shares	6,914,093	58,134
Basic earnings/ (loss) per share of ₹10 each	(0.48)	(6.51)
<b>Diluted</b>		
Loss after tax	(3,298,570)	(378,527)
Weighted average number of equity shares	6,914,093	58,134
Add: Conversion of Compulsorily Convertible Debentures	-	-
Weighted average number of equity shares for diluted EPS	6,914,093	58,134
Diluted earnings/ (loss) per share of ₹ 10 each	(0.48)	(6.51)

**29. Significant accounting judgements, estimates and assumptions**

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

**Judgements**

In the process of applying the Company's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the financial statements.



**Prathamesh Solarfarms Limited****Notes to financial statements for the year ended March 31, 2017**

All amount in Rupees, unless stated otherwise

**Estimates and assumptions**

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the company. Such changes are reflected in the assumptions when they occur.

**Taxes**

Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

**Contingencies**

Contingent liabilities may arise from the ordinary course of business in relation to claims against the Company, including legal, contractor, land access and other claims. By their nature, contingencies will be resolved only when one or more uncertain future events occur or fail to occur. The assessment of the existence, and potential quantum, of contingencies inherently involves the exercise of significant judgement and the use of estimates regarding the outcome of future events.

**Fair value measurement of financial instruments**

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the fair valuation model/ EIR method. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.



**Prathamesh Solarfarms Limited**

Notes to financial statements for the year ended March 31, 2017

All amount in Rupees, unless stated otherwise

**30. Related party disclosures****A. List of related parties and nature of relationship where transactions and control exists**

Name of the party	Nature of relationship
Suzlon Energy Limited	Holding company
Suzlon Gujarat Wind Park Limited	Fellow subsidiary
Ostro Energy Private Limited	Associate

**B. Other related parties****Key Management Personnel (KMP)**

Name	Designation	Status and date
Falgun Harishkumar Shah	Director	Resigned with effect from January 7, 2016
Sunny Kiran Shah	Director	Resigned with effect from January 7, 2016
Anish Nanavati	Director	Resigned with effect from January 24, 2017
Rohit Modi	Director	Resigned with effect from March 27, 2017
Rohit Chauhan	Director	Appointed with effect from January 6, 2016
Vinod Kumar Bishnoi	Director	Appointed with effect from January 24, 2017
Rajat Kumar Gupta	Director	Appointed with effect from February 14, 2017
Rahul Kumar Agrawal	Director	Appointed with effect from February 14, 2017
Shibu Shrestha	Independent Director	Appointed with effect from February 14, 2017
Jagdish Kapoor	Independent Director	Appointed with effect from February 14, 2017
Pawan Gupta	Director	Appointed with effect from March 27, 2017
Ankush Wadhawan	Company Secretary	Appointed with effect from February 14, 2017
Ravi Kundanlal Taneja	Chief Financial Officer	Appointed with effect from March 27, 2017
Chotoo Chaudhary	Chief Executive Officer	Appointed with effect from March 27, 2017

**C. Outstanding balances with related parties**

Particulars	March 31, 2017	March 31, 2016
<b>Suzlon Energy Limited (Holding company)</b>		
Capital advances	572,500,000	148,800,000
Compulsorily convertible debentures	244,545,000	149,000,000
Creditors for capital goods	195,391,158	-
Interest payable	-	2,613
Trade payables	7,808,109	4,176,787
<b>Suzlon Gujarat Wind Park Limited (Fellow subsidiary)</b>		
Capital advances	49,000,000	-
Creditors for capital goods	220,735,569	85,063,069
Trade payables	100,000	100,000
<b>Ostro Energy Private Limited (Associate)</b>		
Compulsorily convertible debentures	234,955,000	-
Other current liabilities	1,329,437	-



**Prathamesh Solarfarms Limited**  
**Notes to financial statements for the year ended March 31, 2017**  
All amount in Rupees, unless stated otherwise

**D. Significant transaction with related parties**

Particulars	March 31, 2017	March 31, 2016
<b>Suzlon Energy Limited (Holding company)</b>		
Interest other	3,674	2,613
Purchase of capital goods	195,391,158	-
Reimbursement of expenses	7,628,730	41,76,787
Allotment of equity share capital (including share premium)	90,773,000	14,00,000
Conversion of compulsorily convertible debentures to equity	149,000,000	-
Issue of compulsorily convertible debentures	286,600,000	14,90,00,000
Transfer of compulsorily convertible debentures to Ostro Energy Private Limited	42,055,000	-
Capital advance paid	572,500,000	
Bank guarantees given	-	10,00,00,000
<b>Suzlon Gujarat Wind Park Limited (Fellow subsidiary)</b>		
Purchase of land	158,172,500	8,68,27,500
Reimbursement of expenses	-	1,00,000
Capital advances paid	71,500,000	-
<b>Ostro Energy Private Limited (Associate)</b>		
Reimbursement of expenses	1,329,437	
Allotment of equity share capital (including share premium)	241,870,050	-
Issue of compulsorily convertible debentures to equity	192,900,000	-
Bank guarantees given	192,500,000	-
<b>Key Managerial Personnel</b>		
<b>Rajat Gupta (Director)</b>		
Reimbursement of expenses	3,362	-
<b>Ravi Kundanlal Taneja (Chief Financial Officer)</b>		
Reimbursement of expenses	5,250	-
<b>Chotoo Chaudhary (Chief Executive Officer)</b>		
Reimbursement of expenses	22,168	-
<b>Falgun Harishkumar Shah</b>		
Issue of equity shares	-	50,000
<b>Sunny Kiran Shah</b>		
Issue of equity shares	-	50,000

**Terms and conditions of transactions with related parties**

The transactions entered with related parties are made on terms equivalent to those that prevail at arm's length transactions. Outstanding balances at the year-end are unsecured and settlement occurs in cash.



**Prathamesh Solarfarms Limited****Notes to financial statements for the year ended March 31, 2017**

All amount in Rupees, unless stated otherwise

**31. Hedging activities and derivatives**

Foreign exchange forward contracts measured at fair value are designated as hedging instruments in cash flow hedges of purchases in US dollar. These transactions are firm commitments.

While the Company enters into other foreign exchange forward contracts with the intention to reduce the foreign exchange risk of expected purchases, these other contracts are not designated in hedge relationships and are measured at fair value through profit or loss.

<b>Particulars</b>	<b>Carrying value</b>	
	<b>March 31, 2017</b>	<b>March 31, 2016</b>
Fair value of foreign currency forward contracts designated as hedging instruments	(74,334,294)	-

The terms of the foreign currency forward contracts match the terms of the purchase transactions. As a result, no hedge ineffectiveness arise requiring recognition through profit or loss.

The cash flow hedges of the expected future purchases during the year ended March 31, 2017 were assessed to be highly effective, a net unrealised loss of ₹ 74,334,294 was included in cash flow hedge reserve in respect of these contracts.

**32. Fair values**

Set out below, is a comparison by class of the carrying amounts and fair value of the Company's financial instruments, other than those with carrying amounts that are reasonable approximations of fair values:

<b>Particulars</b>	<b>Carrying value</b>		<b>Fair value</b>	
	<b>March 31, 2017</b>	<b>March 31, 2016</b>	<b>March 31, 2017</b>	<b>March 31, 2016</b>
<b>Financial assets</b>				
Other financial assets (Investments)	78,182,268	-	78,740,424	-
<b>Total</b>	<b>78,182,268</b>	-	<b>78,740,424</b>	-
<b>Financial liabilities</b>				
Borrowings (Compulsorily convertible debentures)	479,500,000	-	479,500,000	-
Borrowings (Term loans from banks and financial institutions)	198,000,000	-	147,332,552	-
Cash flow hedge	(74,334,294)	-	(74,334,294)	
<b>Total</b>	<b>603,165,706</b>	-	<b>552,898,258</b>	-

- The management assessed that cash and cash equivalents, trade receivables, trade payables, and other current liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.
- The Company makes investment of surplus funds in mutual funds for short periods of time and redeems such investments as and when the funds are required. The holdings of such investment are fair value through profit & loss.
- Compulsorily convertible debentures are measured at fair value on the basis of facts and circumstances of the instrument.
- The fair values of the Company's interest-bearing borrowings and loans are measured at amortised cost through FVTPL using EIR method.



**Prathamesh Solarfarms Limited****Notes to financial statements for the year ended March 31, 2017**

All amount in Rupees, unless stated otherwise

- The Company has entered into hedge contract (forward contract) for covering its foreign currency risk with financial institutions with investment grade credit ratings. As at March 31, 2017, the marked-to-market value of hedge contract positions is derived on the basis of foreign exchange spot and forward rates recognised at fair value.
- The carrying amount of all financial assets and liabilities appearing in the financial statements is reasonable approximation of fair values.

**33. Fair hierarchy**

The carrying amount of all financial assets and liabilities approximate their fair values and hence fair value hierarchy disclosure is not required.

The following table provides the fair value measurement hierarchy of the Company assets and liabilities. Quantitative disclosures fair value measurement hierarchy for assets & liabilities as at 31 March 2017:

	Date of Valuation	Total	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
<b>Assets measured at fair value:</b>					
Other financial assets (Investments)	31-Mar-17	78,740,424	-	78,740,424	-
<b>Liabilities measured at fair value:</b>					
Borrowings (Compulsorily convertible debentures)	31-Mar-17	479,500,000	-	479,500,000	-
Borrowings (Term loans from banks and financial institutions)	31-Mar-17	198,000,000	-	198,000,000	-
Cash flow hedge	31-Mar-17	(74,334,294)	-	(74,334,294)	-

There have been no transfers between Level 1 and Level 2 during the period.



**34. Financial risk management objectives and policies**

The Company's principal financial liabilities comprise loans and borrowings and trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include trade and other receivables, and cash and cash equivalents that derive directly from its operations.

The Company is exposed primarily to Credit Risk, Liquidity Risk and Market risk (fluctuations in foreign currency exchange rates and interest rate), which may adversely impact the fair value of its financial instruments. The Company assesses the unpredictability of the financial environment and seeks to mitigate potential adverse effects on the financial performance of the Company.

**Market risk**

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Such changes in the values of financial instruments may result from changes in the foreign currency exchange rates, interest rates, credit, liquidity and other market changes.

**Interest rate risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligations with floating interest rates.

**Foreign currency risk**

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's financing activities mainly pertaining to the Vendor payment in Foreign currency by the Company. The Company has taken suitable forward contracts to hedge this risk.

**Credit risk**

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument leading to a financial loss.

Credit risk encompasses of both, the direct risk of default and the risk of deterioration of creditworthiness as well as concentration of risks. Financial instruments that are subject to concentrations of credit risk principally consist of trade receivables, cash and cash equivalents, bank deposits and other financial assets. None of the financial instruments of the Company result in material concentration of credit risk.



**Prathamesh Solarfarms Limited**

**Notes to financial statements for the year ended March 31, 2017**

All amount in Rupees, unless stated otherwise

**Liquidity risk**

Liquidity risk refers to the risk that the Company cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

The table below summarises the maturity profile of the Company's financial liabilities: -

	<b>On demand</b>	<b>Less than 3 months</b>	<b>3 to 12 months</b>	<b>1 to 5 years</b>	<b>More than 5 years</b>	<b>Total</b>
<b>March 31 2017</b>						
Borrowings	-	-	2,000,000	147,332,552	479,500,000	628,832,552
Trade payable	-	11,934,461	-	-	-	1,193,4461
Other financial liabilities	-	416,126,727	-	-	-	416,126,727
	<b>-</b>	<b>428,061,188</b>	<b>2,000,000</b>	<b>147,332,552</b>	<b>479,500,000</b>	<b>1,056,893,740</b>
<b>March 31 2016</b>						
Borrowings	-	-	-	-	-	-
Trade payable	-	4,349,937	-	-	-	4,349,937
Other financial liabilities	-	85,065,682	-	-	-	85,065,682
	<b>-</b>	<b>89,415,619</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>89,415,619</b>
<b>April 01 2015</b>						
Borrowings	-	-	-	-	-	-
Trade payable	-	-	-	-	-	-
Other financial liabilities	-	-	-	-	-	-
	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>



**Prathamesh Solarfarms Limited**

Notes to financial statements for the year ended March 31, 2017

All amount in Rupees, unless stated otherwise

**35. Capital management**

For the purpose of the Company's capital management, capital includes issued equity capital, and all other equity reserves attributable to the equity holders. The primary objective of the Company's capital management is to maximise the shareholder value.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Company monitors capital using a gearing ratio, which is total debt divided by total capital plus total debt.

	<b>March 31, 2017</b>	March 31, 2016	April 01, 2015
Borrowings (Including Compulsorily convertible debentures)	<b>626,832,552</b>	-	-
<b>Total debts</b>	<b>626,832,552</b>	-	-
<b>Capital components</b>			
Equity share capital	<b>182,819,500</b>	1,400,000	-
Other equity	<b>222,378,880</b>	148,621,473	-
<b>Total capital</b>	<b>405,198,380</b>	150,021,473	-
<b>Capital and debt</b>	<b>1,032,030,932</b>	150,021,473	-
<b>Gearing ratio (%)</b>	<b>61%</b>	0%	-

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current period.

No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2017 and March 31, 2016.

**36. Deferred tax assets**

To the extent that it is not probable that taxable profit will be available against which the unused tax losses or unused tax credits can be utilised, the deferred tax asset is not recognised.

**37. Segment information***Business segment*

Considering the nature of Company's business and operations, there are no separate reportable segments (business and/ or geographical) in accordance with the requirements of Ind As 108 'Operating Segments' as notified under the Companies (Indian Accounting Standards) Rules, 2015 and hence, there are no additional disclosures to be provided other than those already provided in the financial statements.

*Geographical segment*

The Company operates within India and does not have operations in economic environments with different risk and returns. Hence, it is considered operating in single geographical segment.



**Prathamesh Solarfarms Limited****Notes to financial statements for the year ended March 31, 2017**

All amount in Rupees, unless stated otherwise

**38. Commitment and contingencies**

Estimated amount of contracts (net of advances) remaining to be executed on capital account and not provided for is ₹ 3,245,608,842 (March 31, 2016: ₹ 3,219,372,500) and there are no contingent liabilities as on March 31, 2017 and March 31, 2016.

**39. Details of dues to micro and small enterprises as defined under MSMED Act, 2006**

Based on the information available with the Company, none of the vendors fall under the definition of micro, small and medium enterprises.

**40. Additional information pursuant to the provisions of Schedule III of the Companies Act, 2013, read with section 129 of the Companies Act, 2013**

Particulars	March 31, 2017	March 31, 2016
Expenditure in foreign currency (accrual basis)	1,132,408	-

**41. First-time adoption of Ind AS**

These financial statements, for the year ended March 31, 2017 are the first time, the Company has prepared in accordance with Ind AS. For periods up to and including the year ended March 31, 2016, the Company prepared its financial statements in accordance with accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP).

Accordingly, the Company has prepared financial statements which comply with Ind AS applicable for periods ending on March 31, 2017, together with the comparative period data as at and for the year ended March 31, 2016, as described in the summary of significant accounting policies. In preparing these financial statements, the Company's opening balance sheet was prepared as at April 01, 2015, the Company's date of transition to Ind AS. This note explains the principal adjustments made by the Company in restating its Indian GAAP financial statements, including the balance sheet as at April 01, 2015 and the financial statements as at and for the year ended March 31, 2016.

**Exemptions applied**

Ind AS 101 allows first-time adopters certain exemptions from the retrospective application of certain requirements under Ind AS. The Company has applied the following exemptions:

- The Company has elected to continue with the carrying value for all of its property, plant and equipment, as recognised in its Indian GAAP financial statements as deemed cost at the transition date.

**Estimates**

The estimates at April 01, 2015 and at March 31, 2016 are consistent with those made for the same dates in accordance with Indian GAAP (after adjustments to reflect any differences in accounting policies).

The estimates used by the Company to present these amounts in accordance with Ind AS reflect conditions at April 01, 2015, the date of transition to Ind AS and as of March 31, 2016.



#### 42. Reconciliation with previous GAAP

(a) Reconciliation of equity as previously reported under previous GAAP (I GAAP) to Ind AS

	Notes	March 31, 2016	Previous GAAP	Effect of transition to Ind AS	Ind AS	April 01, 2015	Effect of transition to Ind AS
<b>Assets</b>							
<b>Non-current assets</b>							
(a) Property, plant and equipment		86,827,500		-	86,827,500	-	-
(b) Capital work-in-progress		4,279,400		-	4,279,400	-	-
(c) Other non-current assets		148,800,000		-	148,800,000	-	-
		239,906,900		-	239,906,900	-	-
(a) Financial assets							
(i) Cash and bank balances		1,301,623		-	1,301,623	-	-
		1,301,623		-	1,301,623	-	-
		241,208,523		-	241,208,523	-	-
<b>Equity and liabilities</b>							
<b>Equity</b>							
(i) Share capital		1,400,000		-	1,400,000	-	-
(ii) Other equity							
- Equity component of CCDs*				-	149,000,000	149,000,000	-
- Retained earnings				(378,527)	-	(378,527)	-
		1,021,473		149,000,000	150,021,473	-	-
<b>Current liabilities</b>							
<b>(a) Financial liabilities</b>							
(i) Short-term borrowings		149,000,000		(149,000,000)	-	4,349,937	-
(ii) Trade payables		4,349,937		-	-	85,065,682	-
(iii) Other financial liabilities		85,065,682		-	-		
<b>(b) Other current liabilities</b>							
(i) Other liabilities		1,771,431		-	1,771,431	-	-
		240,187,050		(149,000,000)	91,187,050	-	-
		241,208,523		-	241,208,523	-	-

**Prathamesh Solarfarms Limited**

**Notes to financial statements for the year ended March 31, 2017**

All amount in Rupees, unless stated otherwise

**(b) Reconciliation of statement of profit and loss for the year ended March 31, 2016**

	<b>March 31, 2016</b>		
	<b>Effect of transition to Ind AS</b>		
	<b>Previous GAAP</b>		<b>Ind AS</b>
<b>Expenses</b>			
Other expenses	376,740	-	376,740
Finance costs	1,787	-	1,787
<b>Total expenses</b>	<b>378,527</b>	<b>-</b>	<b>378,527</b>
 <b>(Loss) before tax</b>	 (378,527)	 -	 (378,527)
<b>Tax expenses</b>			
Current tax	-	-	-
<b>Total tax expense</b>	<b>-</b>	<b>-</b>	<b>-</b>
 <b>(Loss) for the year</b>	 (378,527)	 -	 (378,527)
 <b>Earnings per equity share of par value of ₹ 10 each:</b>			
Basic and diluted earnings per share (₹)	(6.51)		(6.51)

**(c) Footnotes to the reconciliation of equity as at April 01, 2015 and March 31, 2016 and total comprehensive income for the year ended March 31, 2016:**

These financial statements, for the year ended March 31, 2017, are the first, the Company has prepared in accordance with Ind AS. For periods up to and including the year ended March 31, 2016, the Company prepared its financial statements in accordance with accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP).

Accordingly, the Company has prepared financial statements which comply with Ind AS applicable for periods ending on March 31, 2017, together with the comparative period data as at and for the years ended March 31, 2016 and March 31, 2015, as described in the summary of significant accounting policies. In preparing these financial statements, the Company's opening balance sheet was prepared as at April 01, 2015, the Company's date of transition to Ind AS. This note explains the principal adjustments made by the Company in restating its Indian GAAP financial statements, including the balance sheet as at April 01, 2015 and the financial statements as at and for the year ended March 31, 2016 and March 31, 2017.

Under Indian GAAP Compulsorily convertible debentures are recognised as short term borrowing and under Ind AS Compulsorily convertible debentures are measured at fair value on the basis of term and condition of Compulsorily convertible debentures at the time of issue. Accordingly, during the year ended March 31, 2016 for comparative purpose as per Ind AS the Company valued Compulsorily convertible debentures into Equity component of CCDs as liability component of CCDs is Zero.



**Prathamesh Solarfarms Limited**

**Notes to financial statements for the year ended March 31, 2017**

All amount in Rupees, unless stated otherwise

43. The figures of previous year were audited by a firm of Chartered Accountants other than S.R. Batliboi & Co. LLP.

As per our report of even date

**For S.R. Batliboi & Co. LLP**

ICAI Firm Registration Number: 301003E/E300005  
Chartered Accountants

*Rajeev Sawhney*

per Rajeev Sawhney  
Partner  
Membership Number: 96333



**For and on behalf of the Board of Directors of  
Prathamesh Solarfarms Limited**

*Rajat Kumar Gupta*

Rajat Kumar Gupta  
Director  
DIN: 00087362

*Ronit Chauhan*

Ronit Chauhan  
Director  
DIN: 07393363

*Ravi Taneja*

Ravi Kundanlal Taneja  
Chief Financial Officer

*Chotoo Chaudhary*

Chotoo Chaudhary  
Chief Executive Officer

*Ankush Wadhawan*

Ankush Wadhawan  
Company Secretary  
Membership Number : 21384



Place : Delhi

Date : 9 AUG 2017

Place:

Date : 9 AUG 2017