

AVIGHNA SOLARFARMS LIMITED

STATUTORY AUDIT REPORT

Financial Year : 2015-2016

S N K & Co.

Chartered Accountants

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Nr. Hotel Regency, Dhole Patil Road,

Pune 411001, Maharashtra , India

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Independent Auditors' Report

To
The Members of Avighna Solarfarms Limited

1. Report on Financial Statements

We have audited the accompanying Financial Statements of Avighna Solarfarms Limited ('Avighna' or the 'Company') (Formerly known as Avighna Solarfarms Private Limited erstwhile Avighna Windfarms Private Limited) which comprise the Balance-sheet as at 31st March, 2016, Statement of Profit and Loss and the Cash flow Statement for the year then ended and a summary of Significant Accounting Policies and Other Explanatory Information.

2. Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("The Act") with respect to the preparation and presentation of these Financial Statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Principles generally accepted in India including the Accounting Standards specified under section 133 of The Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safe guarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Financial Statements that give a true and fair view and are free from material misstatement, whether due to Fraud or Error.

3. Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the Accounting and Auditing Standards and matters which are required to be included in the audit report under the provisions of the Act and the rules made thereunder.

We conducted our Audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.



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

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

4. Opinion

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

5. Report of the Other Legal and Regulatory Requirements

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 - A, a statement on the matters specified in the paragraph 3 and 4 of the Order to the extent applicable.

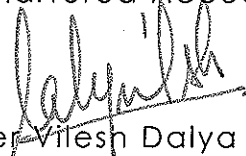
6. As required by Section 143(3) of the Act, we report that,

- i. We have sought and obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit;
- ii. In our opinion, proper books of account as required by law have been kept by the company so far as it appears from our examination of those books;



- iii. The Balance Sheet, the Statement of Profit & Loss and the Cash Flow dealt with by this report are in agreement with the books of account;
- iv. In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
- v. On the basis of the written representations received from the directors, as on 31st March 2016 and taken on record by the Board of Directors, none of the directors are disqualified as on 31st March, 2016 from being appointed as a director in terms of section 164(2) of the Act;
- vi. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our report in Annexure – B; and
- vii. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us :
 - i. The company has disclosed the impact of pending litigations on its financial position in its financial statements.
 - ii. The company did not have any long term contracts including derivative contract for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred, to the Investor Education and Protection Fund by the Company.

For SNK & Co.
ICAI Firm registration no.:109176W
Chartered Accountants


per Vilesh Dalva
Partner
Membership No.:133752



Place: Pune
Date: July 08, 2016

Annexure A to the Auditors' Report

The Annexure referred to in our Independent Auditors' Report to the members of the Company on the financial statements for the year ended 31st March, 2016, we report that:

(i) The company does not have fixed assets. Accordingly the provisions 3(i) (a) to (c) of the Order, is not applicable to the company.

(ii) The company does not have inventory. Accordingly the provisions 3(ii) of the Order, is 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, LLP or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly the provisions 3(iii) (a) to (c) of the Order, is not applicable to the company and hence not commented upon.

(iv) The Company has complied with the provisions of Section 185 and 186 of the Companies Act, 2013, in respect of loans, investments, guarantees and securities.

(v) The company has not accepted any deposits as per the directive issued by the Reserve Bank of India and as per the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act and the rules framed there under. Accordingly the provisions 3 (v) Order, is not applicable to the company.

(vi) Maintenance of cost records as specified by the Central Government under sub section (1) of section 148 of the Companies act is not applicable to the Company. Accordingly the provisions 3 (vi) of the Order, is not applicable to the company.

(vii) (a) Undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income-tax, sales-tax, wealth-tax, service tax, customs duty, excise duty, cess and other material statutory dues have generally been regularly deposited with the appropriate authorities.

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income tax, sales tax, wealth tax, service tax, duty of customs, value added tax, cess and other material statutory dues were in arrears as at 31st March, 2016 for a period of more than 6 months from the date they became payable.



(b) According to the information and explanations given to us, there are no dues of income tax, sales-tax, wealth tax, service tax, customs duty, excise duty and cess payable on account of any dispute.

(viii) Based on our audit procedures and as per the information and explanations given by the management, the Company do not have any repayment of dues to banks, financial institutions, government or debenture holder. Accordingly, provision 3(viii) of the Order is not applicable.

(ix) Based on our audit procedures and as per the information and explanations given by the management, the company has not raised money by way of initial public offer or further public offer (including debt instruments) or by way of term loans. Accordingly, provision 3(ix) of the Order is not applicable and hence not commented upon.

(x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given by the management, we report that no fraud on or by the Company has been noticed or reported during the year.

(xi) Based on the information and explanations given to us by the management, no managerial remuneration is paid or provided by the company. Accordingly, provision 3(xi) of the Order is not applicable.

(xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company. Accordingly, provision 3(xii) of the Order is not applicable.

(xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.

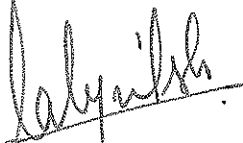
(xiv) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has made preferential allotment of shares and fully convertible debentures during the year.

(xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, provision 3(xv) of the Order is not applicable.



(xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

For SNK & Co.
ICAI Firm registration no.:109176W
Chartered Accountants



per Vilesh Dalya
Partner
Membership No.:133752



Place: Pune
Date: July 08, 2016

Annexure B to the Auditors' Report

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 Avighna Solarfarms Limited ("the Company") as of 31 March 2016 in conjunction with our audit of the standalone 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 ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the



auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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



Opinion

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

For SNK & Co.
ICAI Firm registration no.:109176W
Chartered Accountants


per Wilesh Dalya
Partner
Membership No.:133752



Place: Pune
Date: 08 July, 2016


Avighna Solarfarms Limited
 (Formerly known as Avighna Solarfarms Private Limited erstwhile Avighna Windfarms Private Limited)
Balance Sheet as at March 31, 2016
 All amounts in rupees unless otherwise stated

| Particulars | Notes | As at March 31, 2016 |
|---|-------|-------------------------|
| EQUITY AND LIABILITIES | | |
| Shareholders' Funds | | |
| (a) Share capital | 3 | 13,00,000 |
| (b) Reserves and surplus | 4 | (1,96,682) |
| | | 11,03,318 |
| Current liabilities | | |
| (a) Short-term borrowings | 5 | 4,40,00,000 |
| (b) Other current liabilities | 6 | 20,05,450 |
| | | 4,60,05,450 |
| TOTAL | | 4,71,08,768 |
| ASSETS | | |
| Non-current assets | | |
| (a) Fixed assets | | |
| (i) Capital work-in-progress | 7 | 19,25,300 |
| | | 19,25,300 |
| Current assets | | |
| (a) Short-term loans and advances | 8 | 4,46,40,000 |
| (b) Cash and cash equivalents | 9 | 5,43,468 |
| | | 4,51,83,468 |
| TOTAL | | 4,71,08,768 |
| Significant accounting policies and notes to accounts | 2.1 | |

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

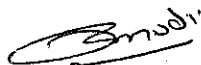
As per our report of even date

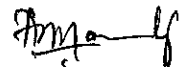
For SNK & Co.
 Chartered Accountants
 ICAI Firm Registration No.109176W

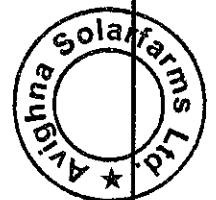

 per Vilesh Dalya
 Partner
 Membership No. 133752



For and on behalf of the board of directors of
 Avighna Solarfarms Limited


 Rohit Modi
 Director
 DIN: 00078222


 Anish Nanavaty
 Director
 DIN: 07220149



Place : Pune
 Date : July 08, 2016

Place : Pune
 Date : July 08, 2016

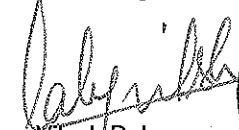
Avighna Solarfarms Limited
 (Formerly known as Avighna Solarfarms Private Limited erstwhile Avighna Windfarms Private Limited)
Statement of Profit and Loss account for the period from 27th March 2015 to 31st March, 2016
 All amounts in rupees unless otherwise stated

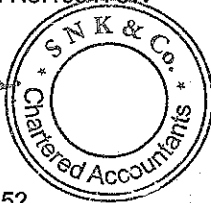
| Particulars | Notes | March 27, 2015 to March 31, 2016 |
|--|-------|-------------------------------------|
| Expenses: | | |
| Other expenses | 10 | 1,94,693 |
| Total Expenses | | 1,94,693 |
| Earning before interest, tax, depreciation and amortizations (EBITDA) | | (1,94,693) |
| Finance costs | 11 | 1,989 |
| Loss before tax | | (1,96,682) |
| Tax expense: | | |
| Current tax | | - |
| Loss for the period | | (1,96,682) |
| Earnings per share | 12 | (5.29) |
| Basic and diluted [Nominal value of share Rs. 10] | | |
| Significant accounting policies and notes to accounts | 2.1 | |

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


As per our report of even date

For SNK & Co.
Chartered Accountants
ICAI Firm Registration No.109176W

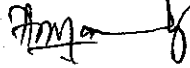

per Vilesh Dalya
Partner
Membership No. 133752



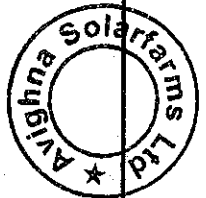
For and on behalf of the board of directors of
Avighna Solarfarms Limited



Rohit Modi
Director
DIN: 00078222



Anish Nanavaty
Director
DIN: 07220149



Place : Pune
Date : July 08, 2016

Place : Pune
Date : July 08, 2016

Avighna Solarfarms Limited
(Formerly known as Avighna Solarfarms Private Limited erstwhile Avighna Windfarms Private Limited)
Cash Flow Statement for the period from 27th March 2015 to 31st March, 2016
All amounts in rupees unless otherwise stated

| Sr. No. | Particulars | March 31, 2016 |
|----------|---|----------------------|
| A | CASH FLOW FROM OPERATING ACTIVITIES | |
| | Loss before tax | (1,96,682) |
| | Movements in working capital | |
| | Increase in loans and advances | (4,46,40,000) |
| | Increase in current liabilities and provisions | 20,05,450 |
| | Cash used in operating activities | (4,28,31,232) |
| | Direct taxes paid (net of refunds) | - |
| | Net cash used in operating activities | (4,28,31,232) |
| B | CASH FLOW FROM INVESTING ACTIVITIES | |
| | Purchase of fixed assets | (19,25,300) |
| | Net cash used in investing activities | (19,25,300) |
| C | CASH FLOW FROM FINANCING ACTIVITIES | |
| | Proceeds from issuance of equity shares | 13,00,000 |
| | Proceeds from issuance of compulsorily convertible debentures | 4,40,00,000 |
| | Net cash flow from financing activities | 4,53,00,000 |
| | NET INCREASE IN CASH AND CASH EQUIVALENTS | 5,43,468 |
| | Cash and cash equivalents at the beginning | - |
| | Cash and cash equivalents at the end | 5,43,468 |

Summary of significant accounting policies 2.1

Notes :

1) Cash and cash equivalents includes:


| Cash and bank balance | As at March 31, 2016 |
|-----------------------|----------------------|
| Balances with banks | |
| in current accounts | 5,43,468 |
| | |
| Total | 5,43,468 |


2) The cash flow statement has been prepared under the "indirect method" set out in Accounting Standard 3 "Cash flow statement", issued by the Institute of Chartered Accountants of India.

3) The company was incorporated on 27th March 2015 and accordingly the figures are for the period 27th March 2015 to 31st March 2016. Hence previous year figures disclosure is not applicable.

As per our report of even date

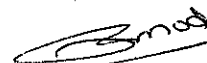
For SNK & Co.
Chartered Accountants
ICAI Firm Registration No.109176W

per 
Vilesh Dalya
Partner
Membership No. 133752

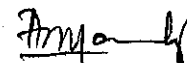


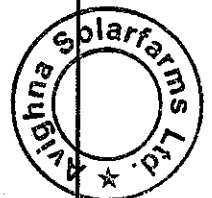
Place : Pune
Date : July 08, 2016

For and on behalf of the board of directors of
Avighna Solarfarms Limited


Rohit Modi
Director
DIN: 00078222

Place : Pune
Date : July 08, 2016


Anish Nanavaty
Director
DIN: 07220149



Avighna Solarfarms Limited

(Formerly known as Avighna Solarfarms Private Limited erstwhile Avighna Windfarms Private Limited)

Notes to financial statements for the year ended March 31, 2016

All amount in Rupees unless stated otherwise

1 Corporate information

Avighna Solarfarms Limited ('Avighna' or the 'Company') (Formerly known as Avighna Solarfarms Private Limited erstwhile Avighna Windfarms Private Limited) having CIN U40102GJ2015PLC082733 is engaged in the Solar Energy Power Plant Development and Sale of Solar Power Energy. The company was incorporated on 27th March 2015 and this is First year of operation of the Company. Financials are prepared for the period from 27th March 2015 to 31st March 2016. The Company has started to set up 15 MW solar photovoltaic electric generating power plant, to be located at Ramannapet Site, District Nalgonda, State Telangana. The Company is wholly owned subsidiary of Suzlon Energy Limited.

2 Basic of preparation

The financial statements of the Company have been prepared in accordance with Indian Generally Accepted Accounting Principles (Indian GAAP). The Company has prepared these financial statements to comply in all material respects with the accounting standards as prescribed under Section 133 of the Companies Act, 2013 ('Act') read with Rule 7 of the Companies (Accounts) Rule, 2014, the provisions of the Act (to the extent notified). The financial statements have been prepared on an accrual basis and under the historical cost convention.

2.1 Summary of significant accounting policies

a. Use of estimates

The preparation of financial statements in conformity with Indian GAAP requires management to make estimates and assumptions that may affect the reported amounts of assets and liabilities and disclosures relating to contingent liabilities as at the date of the financial statements and the reported amounts of incomes and expenses during the reporting period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

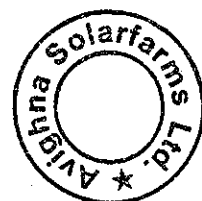
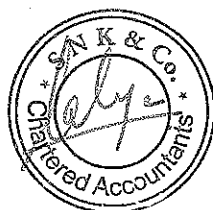
b. Tangible fixed assets

Fixed assets are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises purchase price, borrowing costs if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discounts and rebates are deducted in arriving at the purchase price. The manufacturing costs of internally generated assets comprise direct costs and attributable overheads.

Capital work-in-progress comprises of cost of fixed assets that are not yet ready for their intended use as at the balance sheet date. Assets held for disposal are stated at the lower of net book value and the estimated net realisable value.

Subsequent expenditure related to an item of fixed asset is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. All other expenses on existing fixed assets, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss for the period during which such expenses are incurred.

Gains or losses arising from de-recognition of fixed assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognised.



Avighna Solarfarms Limited

(Formerly known as Avighna Solarfarms Private Limited erstwhile Avighna Windfarms Private Limited)

Notes to financial statements for the year ended March 31, 2016

All amount in Rupees unless stated otherwise

The Company identifies and determines the cost of each component / part of the asset separately, if the component / part has a cost which is significant to the total cost of the asset and has useful life that is materially different from that of the remaining asset.

Fixed assets held for sale is valued at lower of their carrying amount and net realizable value. Any write-down is recognized in the statement of profit and loss.

c. Depreciation on tangible fixed assets

The Company has used the following useful lives to provide depreciation on its tangible assets:

| Type of asset | Useful lives (years) |
|----------------------|----------------------|
| Solar energy systems | 25 years |

d. Borrowing costs

Borrowing cost primarily includes interest and amortization of ancillary costs incurred in connection with the arrangement of borrowings.

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 respective asset. All other borrowing costs are expensed in the period they occur.

e. Revenue recognition

Revenues from Solar Energy Systems are obtained through the sale/supply of energy based on Energy accounts issued by appropriate Government authority and as per the tariff agreed between the parties.

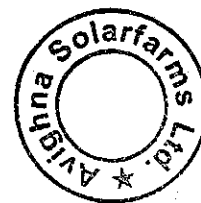
f. Taxes on income

Tax expense comprises current and deferred tax. Current income-tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961 enacted in India and tax laws prevailing in the respective tax jurisdictions where the Company operates. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Deferred income taxes reflect the impact of timing differences between taxable income and accounting income originating during the current year and reversal of timing differences for the earlier years. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted at the reporting date. Deferred income tax relating to items recognised directly in equity is recognised in equity and not in the statement of profit and loss.

Deferred tax liabilities are recognised for all taxable timing differences. Deferred tax assets are recognised for deductible timing differences only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. In situations where the Company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that they can be realized against future taxable profits.

At each reporting date, the Company re-assesses unrecognised deferred tax assets. It recognises unrecognised deferred tax asset to the extent that it has become reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realised.



Avighna Solarfarms Limited

(Formerly known as Avighna Solarfarms Private Limited erstwhile Avighna Windfarms Private Limited)

Notes to financial statements for the year ended March 31, 2016

All amount in Rupees unless stated otherwise

The carrying amount of deferred tax assets are reviewed at each reporting date. The Company writes-down the carrying amount of deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realised. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

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 tax assets and deferred taxes relate to the same taxable entity and the same taxation authority.

Minimum alternate tax (MAT) paid in a year is charged to the statement of profit and loss as current tax. The Company recognises MAT credit available as an asset only to the extent that there is convincing evidence that the Company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the Company recognises MAT credit as an asset in accordance with the Guidance Note on Accounting for Credit Available in respect of Minimum Alternative Tax under the Income-tax Act, 1961, the said asset is created by way of credit to the statement of profit and loss and shown as "MAT Credit Entitlement." The Company reviews the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent the Company does not have convincing evidence that it will pay normal tax during the specified period in future.

g. 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.

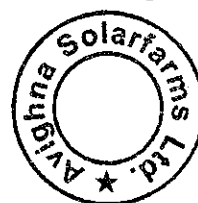
The number of equity shares and potentially dilutive equity shares are adjusted for bonus shares as appropriate. The dilutive potential equity shares are adjusted for the proceeds receivable, had the shares been issued at fair value. Dilutive potential equity shares are deemed converted as of the beginning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

h. Provisions

A provision is recognised when the Company has a present obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation and in respect of which a reliable estimate can be made of the amount of obligation. Provisions are not discounted to their present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These estimates are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

i. Contingent liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The Company does not recognise a



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Notes to financial statements for the year ended March 31, 2016

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contingent liability but discloses its existence in the financial statements unless the possibility of an outflow is remote.

j. Cash and cash equivalents

Cash and cash equivalents in the cash flow statement comprise cash at bank and in hand, cheques on hand and short-term investments with an original maturity of three months or less.

k. Measurement of EBITDA and EBIT

The Company has elected to present earnings before interest, tax, depreciation and amortisation ('EBITDA') and earnings before interest and tax ('EBIT') as a separate line item on the face of the statement of profit and loss. In the measurement of EBITDA, the Company does not include depreciation and amortisation expense, finance cost, finance income, exceptional and extraordinary items and tax expense. The Company reduces depreciation and amortisation expense from EBITDA to measure EBIT.

3 Share capital

Authorised share capital

450,000 equity shares of Rs 10 each

March 31, 2016

45,00,000

45,00,000

Issued, subscribed and fully paid-up shares

130,000 equity shares of Rs 10 each

March 31, 2016

13,00,000

13,00,000

a. Reconciliation of the shares outstanding at the beginning and at the end of the reporting period

Equity shares

At the beginning

Issued during the period

Outstanding at the end of the year

March 31, 2016

No. Rupees

- -

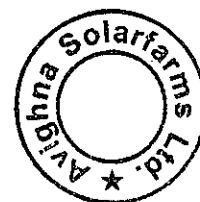
130,000 13,00,000

130,000 13,00,000

b. Terms/rights attached to equity shares

The Company has only one class of equity shares having a par value of Rs 10 each. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The dividend proposed, if any, by the Board of Directors is subject to approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the Company, the holder 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.



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Notes to financial statements for the year ended March 31, 2016

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c. Shares held by holding company

Out of equity shares issued by the Company, shares held by SEL, its holding company, are as below:

| | March 31, 2016 |
|--|----------------|
| 130,000 equity shares of Rs 10 each fully paid | 13,00,000 |

d. Details of shareholders holding more than 5% shares in the Company

| Name of the shareholder | March 31, 2016 | |
|---|------------------|--------------------|
| | Number of shares | % holding in class |
| Equity shares of Rs 10 each fully paid | | |
| Suzlon Energy Limited, holding company | 130,000 | 100% |

As per the 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 ownerships of shares.

4 Reserves and surplus

| | March 31, 2016 |
|--|------------------|
| Statement of profit and loss | |
| Loss for the year | (196,682) |
| Net deficit in the statement of profit and loss | (196,682) |

5 Short term borrowings

| | March 31, 2016 |
|-------------------------------------|--------------------|
| Unsecured | |
| Compulsorily convertible debentures | 4,40,00,000 |
| Total | 4,40,00,000 |

Unsecured Compulsory Convertible Debentures shall be compulsorily convertible at any time after 01st April 2016 subject to however the same shall automatically and compulsorily be converted at the end of 4 (Four) years from the date of first allotment.

6 Other current liabilities

| | March 31, 2016 |
|--|------------------|
| Statutory dues | 7,000 |
| Interest accrued but not due on borrowings | 1,013 |
| Other payables | 19,97,437 |
| Total | 20,05,450 |



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Avighna Solarfarms Limited

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Notes to financial statements for the year ended March 31, 2016

All amount in Rupees unless stated otherwise

7 Fixed assets

| Description | Gross Block | | | Depreciation | | | Net Block |
|---------------------------|-------------|------------------|----------------------|--------------|----------|----------------------|----------------------|
| | Opening | Addition | As at March 31, 2016 | Opening | Addition | As at March 31, 2016 | As at March 31, 2016 |
| Capital work in progress* | - | 19,25,300 | 19,25,300 | - | - | - | 19,25,300 |
| Total | - | 19,25,300 | 19,25,300 | - | - | - | 19,25,300 |

*The company has capitalised during the period Rs 19,25,300 cost related to interest on compulsorily convertible debentures, bank guarantee charges and tender bid expenses.

8 Short term loans and advances

March 31, 2016

| | |
|------------------|--------------------|
| Capital advances | 4,46,40,000 |
| Total | 4,46,40,000 |

9 Cash and bank balances

March 31, 2016

| | |
|----------------------|-----------------|
| Balances with banks: | |
| In current accounts | 5,43,468 |
| Total | 5,43,468 |

10 Other expenses

March 31, 2016

| | |
|---|-----------------|
| Domestic consultancy charges | 5,000 |
| Auditors' remuneration and expenses (refer details below) | 80,150 |
| Legal expenses | 1,09,543 |
| Total | 1,94,693 |

Payment to auditor

March 31, 2016

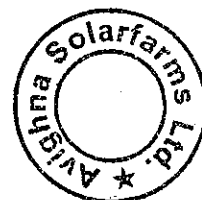
| | |
|----------------------|---------------|
| As auditor | |
| Statutory audit fees | 80,150 |
| Total | 80,150 |

11 Finance cost

March 31, 2016

| | |
|--------------|--------------|
| Bank charges | 1,989 |
| Total | 1,989 |

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Avighna Solarfarms Limited

(Formerly known as Avighna Solarfarms Private Limited erstwhile Avighna Windfarms Private Limited)

Notes to financial statements for the year ended March 31, 2016

All amount in Rupees unless stated otherwise

12 Earnings/ (loss) per share (EPS)

March 31, 2016

Basic

| | |
|--|------------|
| Loss after tax | (1,96,682) |
| Weighted average number of equity shares | 37,170 |
| Basic earnings /(loss) per share of Rs 10 each | (5.29) |

Diluted

| | |
|--|------------|
| Loss after tax | (1,96,682) |
| Weighted average number of equity shares | 37,170 |
| Add: conversion of compulsorily convertible debentures | 9,962 |
| Weighted average number of equity shares for diluted EPS | 47,132 |
| Diluted earnings /(loss) per share of Rs 10 each* | (5.29) |

*Since the earnings/(loss) per share computation based on diluted weighted average number of shares is anti-dilutive, the basic and diluted earnings/(loss) per share is the same.

13 Related party disclosures

As per Accounting Standard 18 (AS 18): Related Party Disclosure as notified by the Rules, the disclosures of transactions with the related parties as defined in the accounting standard are given below.

A. List of related parties and nature of relationship where control exists

| Name of the party | Nature of relationship |
|-----------------------|------------------------|
| Suzlon Energy Limited | Holding company |

B. Other related parties

Key Management Personnel (KMP):

Mr. Faigun Harishkumar Shah*
Mr. Sunny Kiran Shah*
Mr. Rohit Modi
Mr. Anish Nanavaty
Mr. Rohit Chauhan

*Resigned from directorship w. e. f. January 07, 2016.



Avighna Solarfarms Limited

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Notes to financial statements for the year ended March 31, 2016

All amount in Rupees unless stated otherwise

C. Transactions between the Company and the related party and the status of outstanding balances as at March 31, 2016.

| Particulars | Holding company | KMP |
|--|-----------------|------------|
| Transactions | | |
| Interest other* | 1,013 | - |
| Reimbursement of expenses payable* | 19,24,287 | - |
| Issue of compulsorily convertible debentures | 4,40,00,000 | - |
| Issue of equity shares | 12,00,000 | 1,00,000** |
| Outstanding balances | | |
| Advance for capital goods | 4,46,40,000 | - |
| Compulsorily convertible debentures | 4,40,00,000 | - |
| Interest payable | 1,013 | - |
| Other current liabilities | 19,24,287 | - |

*Cost is capitalised under capital work in progress

** Issued equity share has been purchased by Suzlon Energy Limited

D. Disclosure of significant transaction with related parties

| Type of the Transaction | Type of Relationship | Name of the Entity | Year ended March 31, 2016 |
|--|----------------------|-----------------------|---------------------------|
| Interest other* | Holding company | Suzlon Energy Limited | 1,013 |
| Reimbursement of expenses payable* | Holding company | Suzlon Energy Limited | 19,24,287 |
| Issue of compulsorily convertible debentures | Holding company | Suzlon Energy Limited | 4,40,00,000 |
| Issue of equity shares | Holding company | Suzlon Energy Limited | 12,00,000 |

*Cost is capitalised under capital work in progress

14 Capital and other commitments

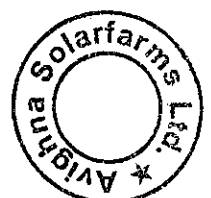
Estimated amount of contracts remaining to be executed on capital accounts and not provided for, net of advances is Rs 91,53,60,000.

15 Contingent Liabilities

Based on the information available with the Company, contingent liabilities exists as on Balance Sheet date is Rs Nil.

16 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 & medium enterprises.



Avighna Solarfarms Limited

(Formerly known as Avighna Solarfarms Private Limited erstwhile Avighna Windfarms Private Limited)

Notes to financial statements for the year ended March 31, 2016

All amount in Rupees unless stated otherwise


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

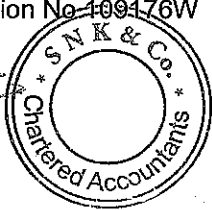
- a. Value of imports calculated on CIF basis: Rs. Nil
- b. Expenditure in foreign currency (accrual basis): Rs. Nil
- c. Imported and indigenous raw materials, components and spare parts consumed: Rs. Nil
- d. Earnings in foreign currency (accrual basis): Rs. Nil

18 The company was incorporated on 27th March 2015 and accordingly the figures are for the period 27th March 2015 to 31st March 2016. Hence previous year figures disclosure is not applicable.

As per our report of even date

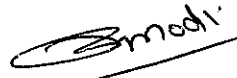
For SNK & Co.
Chartered Accountants
ICAI Firm Registration No-109476W


per Vilesh Dalya
Partner
Membership No. 133752



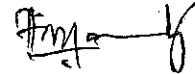
Place : Pune
Date : July 08, 2016

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



Rohit Modi
Director
DIN: 00078222

Place : Pune
Date : July 08, 2016



Anish Nanavaty
Director
DIN: 07220149

