

INDEPENDENT AUDITOR'S REPORT

To the Members of Kaushalya Energy Private Limited

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of KAUSHALYAENERGY PRIVATE LIMITED("the Company"), which comprise the Balance Sheet as at 31st March, 2015, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone 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 standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies(Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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 design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, 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 standalone financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone 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, 2015, and its profit and 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 2015, ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act (hereinafter referred to as the "Order") based on the comments in the auditors' reports, we give in the Annexure a statement on the matters specified in the paragraph 3 and 4 of the Order, to the extent applicable.
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 purposes 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, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account
 - d.) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e.) On the basis of the written representations received from the directors as on 31st March, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.
 - f.) With respect to the other matters to be included in the 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 on its financial position in its financial statement.
 - ii.) The Company has not made any provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.
 - iii.) There were not any amounts which were required to be transferred to the investor education and protection fund by the Company

Place : Kolkata

Date : The 28th day of May, 2015



For Sarp & Associates
Firm Registration No. 007375C
Chartered Accountants

S. Agarwal

[Shailesh Agarwal]

Partner

ICAI Membership No. 063220

ANNEXURE REFERRED TO IN PARAGRAPH 1 UNDER THE HEADING "REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS" OF OUR REPORT TO THE MEMBERS OF KAUSHALYAENERGY PRIVATE LIMITED OF EVEN DATE

- (i) The company does not have any Fixed Assets, therefore the provisions of clauses 3(i)(a) & 3(i)(b) of the order are not applicable to the company.
- (ii) The company does not have any inventory, accordingly provisions of Clauses 3(ii)(a) to 3(ii)(c) of paragraph of the said order are not applicable.
- (iii) As informed to us, the company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013 and accordingly the provisions of Clause 3 (iii) (a) & 3 (iii) (b) of the order are not applicable to the company.
- (iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the company and the nature of its business for the purchases of inventory and fixed assets and for the sale of goods and services. During the course of our audit, we have neither come across nor have been informed of any continuing failure to correct major weaknesses in the aforesaid internal control system.
- (v) The Company has not accepted any deposits from the public.
- (vi) The Central Government has not prescribed cost records u/s 148(1) of the Companies Act, 2013 for any of the activities of the company and accordingly the provisions of Clause 3 (vi) of the order is not applicable to the company.
- (vii) (a) Accordingly to the information and explanations given to us and on the basis of examination of the records of the company, in our opinion, the company generally regular in depositing the undisputed statutory dues including Provident Fund, Employees' State Insurance, Income-tax, Sales-tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Value Added Tax cess and other statutory dues applicable to it.

According to information and explanations given to us, no undisputed amounts payable in respect of Income-tax, Sales-tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Value Added Tax and cess were in arrears as at 31st March, 2015 for a period of more than six 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, Value Added Tax and Cess (as applicable) which has not been deposited by the Company on account of disputes.
- (c) According to the information and explanations given to us there were not any amounts which were required to be transferred to the investor education and protection fund in accordance with the relevant provisions of Companies Act, 1956(1 of 1956) and rules made



thereunder.

- (viii) The accumulated losses of the company as at the end of the financial year exceeds 50% of its net worth and it has not incurred cash loss in the current financial year but has incurred cash loss in the immediately preceding financial year.
- (ix) According to the records of the company examined by us and the information and explanations given to us, the company has no dues to any financial institution, bank or debenture holders.
- (x) In our opinion and according to the information and explanations given to us, the company has not given any guarantee for loans taken by others from bank or financial institutions.
- (xi) The company has not taken any term loans and accordingly the provisions of Clause 3(xi) of the order are not applicable to the company.
- (xii) During the course of our examination of the books and records of the company, carried out in accordance with the Generally Accepted Auditing Practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud on or by the company, noticed or reported during the year, nor have we been informed of such case by the management.

Place : Kolkata.



Date : The 28th day of May, 2015

For Sarp & Associates
Firm Registration No. 007375C
Chartered Accountants

S. Agarwal
[Shailesh Agarwal]

Partner

ICAI Membership No. 063220

KAUSHALYA ENERGY PRIVATE LIMITED

BALANCE SHEET AS AT 31ST MARCH, 2015

| PARTICULARS | Note | As at 31-Mar-15 Rs. | As at 31-Mar-14 Rs. |
|---|------|---------------------------|---------------------------|
| EQUITY AND LIABILITIES | | | |
| (1) Shareholder's Funds | | | |
| (a) Share Capital | 3 | 1,000,000 | 1,000,000 |
| (b) Reserve & Surplus | 4 | (819,917) | (821,365) |
| | | 180,083 | 178,635 |
| (2) Current Liabilities | | | |
| (a) Trade Payables | 5 | 50,991 | 41,373 |
| | | 50,991 | 41,373 |
| TOTAL | | 231,074 | 220,008 |
| ASSETS | | | |
| (3) Non-Current Assets | | | |
| (a) Non-Current Investments | 6 | 99,000 | 99,000 |
| | | 99,000 | 99,000 |
| (4) Current Assets | | | |
| (a) Cash & Cash Equivalents | 7 | 132,074 | 121,008 |
| | | 132,074 | 121,008 |
| TOTAL | | 231,074 | 220,008 |
| See accompanying notes forming part of the financial statements | 1-13 | | |

In terms of our report attached.

For Sarp & Associates
Firm Regn. No. 007375C
Chartered Accountants

S. Agarwal

Shailesh Agarwal

Partner

Membership No. 063220



Place : Kolkata

Date : 28th day of May, 2015

For and on behalf of the
Board of Directors

Prashant Mehra

Prashant Mehra, Director

Kartik Mehra

Kartik Mehra, Director

Place : Kolkata

Date : 28th day of May, 2015

KAUSHALYA ENERGY PRIVATE LIMITED

Statement of Profit and Loss for the year ended 31 March, 2015

| Particulars | | Note No. | For the year ended 31st March, 2015 | For the year ended 31st March, 2014 |
|-------------|---|----------|-------------------------------------|-------------------------------------|
| | | | Rs. | Rs. |
| 1 | Revenue from operations (gross) | | - | - |
| | Other Income | | 20,000 | 13,900 |
| 2 | Total revenue (1+2) | | 20,000 | 13,900 |
| 3 | Expenses | | | |
| | Finance cost | 8 | 1,334 | 364 |
| | Other expenses | 9 | 17,218 | 13,561 |
| 4 | Total expenses | | 18,552 | 13,925 |
| 5 | Profit / (Loss) before tax (2-3) | | 1,448 | (25) |
| 6 | Tax expense: | | | |
| | Current tax expense for current year | | - | - |
| | Current tax expense for earlier years | | - | - |
| | Deferred Tax expense for current year | | - | - |
| | | | - | - |
| 7 | Profit / (Loss) for the year (5 - 6) | | 1,448 | (25) |
| 8 | Earnings per share (of Rs. 10/- each): | 12 | | |
| | (a) Basic | | 0.01 | (0.00) |
| | (b) Diluted | | 0.01 | (0.00) |
| | See accompanying notes forming part of the financial statements | 1-13 | | |

In terms of our report attached.

For Sarp & Associates
Firm Regn. No. 007375C
Chartered Accountants

S. Agarwal
Shailesh Agarwal
Partner
Membership No. 063220



Place : Kolkata
Date : 28th day of May, 2015

For and on behalf of the
Board of Directors

Prashant Mehra
Prashant Mehra, Director

Kartik Mehra
Kartik Mehra, Director

Place : Kolkata
Date : 28th day of May, 2015

KAUSHALYA ENERGY PRIVATE LIMITED
Notes forming part of the financial statements

Note 3 Share capital

| Particulars | As at 31st March, 2015 | | As at 31st March, 2014 | |
|---|------------------------|------------------|------------------------|------------------|
| | 31st March, 2015 | Amount (Rs.) | Number of shares | Amount (Rs.) |
| (a) Authorised | | | | |
| Equity shares of Rs. 10/- each with voting rights | 100,000 | 1,000,000 | 100,000 | 1,000,000 |
| | 100,000 | 1,000,000 | 100,000 | 1,000,000 |
| (b) Issued | | | | |
| Equity shares of Rs. 10/- each with voting rights | 100,000 | 1,000,000 | 100,000 | 1,000,000 |
| | 100,000 | 1,000,000 | 100,000 | 1,000,000 |
| (c) Subscribed and fully paid up | | | | |
| Equity shares of Rs. 10/- each with voting rights | 100,000 | 1,000,000 | 100,000 | 1,000,000 |
| Total | 100,000 | 1,000,000 | 100,000 | 1,000,000 |

Refer Notes (i) to (iv) below

Notes:

(i) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period:

| Particulars | Opening Balance | Fresh Issue | Other Changes | Closing Balance |
|---|-----------------|-------------|---------------|-----------------|
| Issued, Subscribed and Fully Paid-up | | | | |
| Equity shares with voting rights | | | | |
| Year ended 31 March, 2015 | | | | |
| - Number of shares | 100,000 | - | - | 100,000 |
| - Amount (Rs.) | 1,000,000 | - | - | 1,000,000 |
| Year ended 31 March, 2014 | | | | |
| - Number of shares | 100,000 | - | - | 100,000 |
| - Amount (Rs.) | 1,000,000 | - | - | 1,000,000 |

(ii.) Rights, preferences and restrictions attached to equity shares:

The Company has issued only one class of equity shares having a par value of Rs. 10/- per share. Each holder of equity shares is entitled to one vote per share held. The dividend, if any, proposed by the Board of Directors is subject to approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. 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.

(iii) Details of shares held by the holding company, the ultimate holding company, their subsidiaries and associates:

| Class of shares / Name of shareholder | As at 31st March, 2015 | | As at 31st March, 2014 | |
|--|------------------------|-----------------------------------|------------------------|-----------------------------------|
| | Number of shares held | % holding in that class of shares | Number of shares held | % holding in that class of shares |
| Equity shares with voting rights | | | | |
| Holding Company | | | | |
| Kaushalya Infrastructure Developments Corporation Ltd. | 95,500 | 95.50 | 95,500 | 96 |
| Total | 95,500 | 95.50 | 95,500 | 96 |

(iv) Details of shares held by each shareholder holding more than 5% shares:

| Class of shares / Name of shareholder | As at 31st March, 2015 | | As at 31st March, 2014 | |
|---|------------------------|-----------------------------------|------------------------|-----------------------------------|
| | Number of shares held | % holding in that class of shares | Number of shares held | % holding in that class of shares |
| Equity shares with voting rights | | | | |
| Ramesh Kumar Mehra | 4,500 | 4.50 | 4,500 | 4 |
| Total | 4,500 | 4.50 | 4,500 | 4 |

Handwritten signature



Handwritten signature: Ramesh Kumar Mehra

KAUSHALYA ENERGY PRIVATE LIMITED

Notes forming part of the financial statements

Note 4: Reserves & Surplus

| Particulars | As at 31st March, 2015 | As at 31st March, 2014 |
|---|---------------------------|---------------------------|
| (a) Surplus / (Deficit) in Statement of Profit and Loss | | |
| Opening balance | (821,365) | (821,340) |
| Add: Profit / (Loss) for the year | 1,448 | (25) |
| Total | (819,917) | (821,365) |

Note 5: Trade Payables

| Particulars | As at 31st March, 2015 | As at 31st March, 2014 |
|------------------------|---------------------------|---------------------------|
| Trade Payables | | |
| Other than Acceptances | 50,991 | 41,373 |
| Total | 50,991 | 41,373 |

Note 7: Cash and Cash Equivalents

| Particulars | As at 31st March, 2015 | As at 31st March, 2014 |
|---|---------------------------|---------------------------|
| Cash on hand (As Certified by a Director) | 128,407 | 121,007 |
| Balances with banks | | |
| In current accounts | 3,667 | 1 |
| | 132,074 | 121,008 |
| Of the above, the balances that meet the definition of Cash and cash equivalent as per AS 3 Cash Flow | 132,074 | 121,008 |

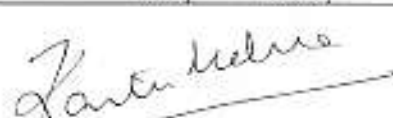
Note 8: Finance Cost

| Particulars | For the year Ended 31st March, 2015 | For the year Ended 31st March, 2014 |
|----------------------------|---|---|
| (a) Interest on Borrowings | | |
| Interest to Bank | - | - |
| (b) Other Borrowings Costs | | |
| Bank Charges | 1,334 | 364 |
| | 1,334 | 364 |

Note 9: Other Expenses

| Particulars | For the year Ended 31st March, 2015 | For the year Ended 31st March, 2014 |
|------------------------|---|---|
| Filing fees | 5,000 | 3,900 |
| Income Tax Paid 12-13 | - | 43 |
| Legal and professional | 6,600 | 4,000 |
| Payments To Auditors | | |
| - As Audit Fees | 5,618 | 5,618 |
| Total | 17,218 | 13,561 |



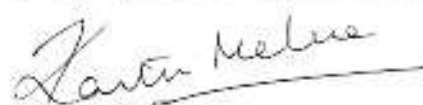


KAUSHALYA ENERGY PRIVATE LIMITED
Notes forming part of the Financial Statements

Note 6: Non Current Investments

| | As At | | As At | |
|---|------------------|--------|------------------|--------|
| | 31st March, 2015 | | 31st March, 2014 | |
| | Nos | | Nos | |
| Unquoted, fully paid-up Equity Shares of Rs 10/- each in Subsidiaries Company Azur Solar KDC Ltd. (Formerly Kaushalya Solar Power Pvt. Ltd.) | | | | |
| | 9,900 | 99,000 | 9,900 | 99,000 |
| Total | 9,900 | 99,000 | 9,900 | 99,000 |
| Aggregate Value of Unquoted Investments | | 99,000 | | 99,000 |





KAUSHALYA ENERGY PRIVATE LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2015

| Particulars | For the year ended | | For the year ended | |
|---|--------------------|---------|--------------------|-----------|
| | 31st March, 2015 | | 31st March, 2014 | |
| | Rs. | Rs. | Rs. | Rs. |
| A. Cash flow from operating activities | | | | |
| Net Profit / (Loss) before extraordinary items and tax adjustments / Finance costs | | 1,448 | | (25) |
| Operating profit / (loss) before working capital changes <u>Changes in working capital:</u> | 1,334 | 3,334 | 364 | 364 |
| Adjustments for increase / decrease in operating assets: Short-term loans and advances Long-term loans and advances | - | 2,792 | - | 339 |
| Adjustments for increase / decrease in operating liabilities: Trade payables Other current liabilities Other long-term liabilities | - | - | 3,395,100 | 3,395,100 |
| | 9,618 | 9,618 | | |
| Cash generated from operations | | 12,400 | | 74,057 |
| Net income tax (paid) / refunds | | - | | - |
| Net cash flow from / (used in) operating activities (A) | | 12,400 | | 74,057 |
| B. Cash flow from investing activities | | | | |
| Purchase of Long-term investment | | - | | - |
| Net cash flow from / (used in) investing activities (B) | | - | | - |
| C. Cash flow from financing activities | | | | |
| Issue of Equity shares | | - | | - |
| Changes in Short-Term Borrowings | | - | | - |
| Finance cost | | (1,334) | | (384) |
| Net cash flow from / (used in) financing activities (C) | | (1,334) | | (384) |
| Net increase / (decrease) in Cash and cash equivalents (A+B+C) | | 11,066 | | 73,673 |
| Cash and cash equivalents at the beginning of the year | | 121,008 | | 47,315 |
| Cash and cash equivalents at the end of the year | | 132,074 | | 121,008 |
| Reconciliation of Cash and cash equivalents with the Balance Sheet: | | | | |
| Cash and cash equivalents as per Balance Sheet (Refer Note 9) | | 132,074 | | 121,008 |
| Less: Bank balances not considered as Cash and cash equivalents as defined in AS 3 Cash Flow Statements (give details): Deposit pledged with bank as security against borrowings | | - | | - |
| Net Cash and cash equivalents (as defined in AS 3 Cash Flow Statements) included in Note 9 | | 132,074 | | 121,008 |
| Add: Current investments considered as part of Cash and cash equivalents (as defined in AS 3 Cash Flow Statements) | | - | | - |
| Cash and cash equivalents at the end of the year * | | 132,074 | | 121,008 |
| * Comprises: | | | | |
| (a) Cash on hand | | 125,407 | | 121,007 |
| (c) Balances with banks: | | | | |
| (i) In current accounts | | 3,667 | | 1 |
| (ii) In deposit accounts with original maturity of less than 3 months | | - | | - |
| | | 132,074 | | 121,008 |

Notes:

- (i) The Cash Flow Statement reflects the estimated cash flows pertaining to continuing and discounting operations.
(ii) These earmarked account balances with banks can be utilised only for the specific identified purposes.

See accompanying notes forming part of the financial statements

In terms of our report attached

For Sarp & Associates

Firm Regn. No. 007379C

Chartered Accountants

S. Agarwal

Shailesh Agarwal

Partner

Membership No. 063220



For and on behalf of the Board of Directors

Prashant Mehra, Director

Kantik Mehra, Director

Place: Kolkata

Date: 28th day of May, 2015

Place:

Date: 28th day of May, 2015

KAUSHALYA ENGERGY PRIVATE LIMITED

Notes forming part of the Financial Statements

Note 1: Corporate Information

Kaushalya Engergy Private Limited is a Private Limited Company, domiciled in India and incorporated under the provisions of the Companies Act, 1956. The company is a Subsidiary company of M/s Kaushalya Infrastructure Development Corporation Limited. The shares of the company are not listed on any stock exchanges in India. The company has been incorporated with the object of generation and distribution of power. The company carries on its business in domestic markets only.

Note 2: Significant Accounting Policies

2.1 Basis of accounting and preparation of financial statements

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards as prescribed under Section 133 of the Companies Act, 2013('the Act') read with Rule 7 of the Companies (Accounts) Rules, 2014, the provisions of the Act(to the extent notified) and guidelines issued by the Securities and Exchange Board of India (SEBI). The financial statements have been prepared on accrual basis under historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

2.2 Use of estimates

The preparation of the financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognized in the periods in which the results are known / materialize.

2.3 Cash and cash equivalents (for purposes of Cash Flow Statement)

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

2.4 Cash flow statement

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

2.5 Recognition of Income and Expenses:

- i. Revenue from Operation: The Company does not have any income from operation since incorporation as apparent from records.
- ii. Other Income: Other income is recognized on accrual basis.

2.6 Investments

Non Current Investments in shares of subsidiary company is valued at cost.



KAUSHALYA ENGERGY PRIVATE LIMITED

Notes forming part of the Financial Statements

2.7 Employee Benefits

The company has no employees. Therefore AS 15 Employee Benefits issued by the Institute of Chartered Accountants of India does not apply to the company.

2.8 Borrowing Costs

The company has not borrowed any funds. Therefore AS 16 Borrowing Costs issued by the Institute of Chartered Accountants of India does not apply to the company.

2.9 Segment reporting

The company is engaged in a single business segment i.e. Real Estate Development, therefore AS-17 on "Segment Reporting" issued by The Institute of Chartered Accountants of India is not applicable to the company.

2.10 Earnings per share

Basic earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) as adjusted for dividend, interest and other charges to expense or income relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date. The dilutive potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value (i.e. average market value of the outstanding shares). Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted for share splits / reverse share splits and bonus shares, as appropriate.

2.11 Taxes on income

"Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the provisions of the Income Tax Act, 1961.

Deferred tax is recognized on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods.

The management is of the opinion that there is no virtual certainty supported by convincing evidence that sufficient future taxable income will be available to the company against which Deferred tax assets can be realized. So, deferred tax assets, as per Accounting Standard (22), has not been recognized / accounted for in the financial statements



KAUSHALYA ENGERGY PRIVATE LIMITED


Notes forming part of the Financial Statements

2.12 Provisions and contingencies

A provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates. Contingent liabilities are disclosed in the Notes.

2.13 Events occurring after the balance sheet date

No significant events which could materially affect the financial position of the Company for the relevant year have been reported by the management, after the Balance Sheet date till the signing date of report.



KAUSHALYA ENGERGY PRIVATE LIMITED

Notes forming part of the Financial Statements

Note 10: Additional Information of the Financial Statements

Note 10.a. Contingent Liabilities and Commitments to the extent not provided for

| | Amount (Rs.) | |
|----------------------------|---------------------------------------|---------------------------------------|
| | As at 31 st March, 2015 | As at 31 st March, 2014 |
| (a) Contingent Liabilities | Nil | Nil |
| (b) Commitments | Nil | Nil |

Note 10.b: Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006

The Company is in the process of identifying the suppliers, who would be covered under the Micro, Small and Medium Enterprises Development Act, 2006. As confirmed by the management, the company has not yet received any information about such registration from the vendors and such information will be provided as and when confirmation is received from them. However, as regards the same, no documentary evidence has been found during the course of audit.

Note 10.c: Earning & Expenditure in Foreign Currency

| | Amount (Rs.) | |
|----------|---|---|
| | For the year Ended 31 st March, 2015 | For the Year Ended 31 st March, 2014 |
| Earnings | Nil | Nil |
| Outgo | Nil | Nil |

Note 10.d:

In the opinion of the Board, the current assets have value on realization in the ordinary course of business at least equal to the amount at which they are stated in the Balance Sheet.

Note 11: Related Parties*, Related Party Transactions and Balances receivable/payable as at the end of the year

| | |
|-----|---|
| I. | Parties Where Control Exists |
| | Holding Company |
| | Kaushalya Infrastructure Development Corporation Limited |
| | Subsidiary Company |
| | Azur Solar KDC (P) Ltd. (Formerly Kaushalya Solar Power (P) Ltd.) |
| | Fellow Subsidiaries |
| | 1. Kaushalya Township Private Limited |
| | 2. Bengal Kaushalya Nirman Limited |
| | 3. Bengal KDC Housing Development Limited |
| II. | Key Management Personnel : |
| | 1. Mr. Prashant Mehra, Director |
| | 2. Mr. Kartik Mehra, Director |

Handwritten signature



Handwritten signature: Kartik Mehra

KAUSHALYA ENGERGY PRIVATE LIMITED

Notes forming part of the Financial Statements

III. Transactions with Related Parties

| Sl. No. | Type of Transactions (other than Reimbursement) | Holding Company | 2014-15 | | Holding Company | 2013-14 | |
|---------|---|-----------------|---------------|---------------------|-----------------|---------------|---------------------|
| | | | Group Company | Fellow Subsidiaries | | Group Company | Fellow Subsidiaries |
| (a) | Advances Received/Taken Kaushalya Infrastructure Development Corporation Ltd. Kaushalya Township (P) Ltd. Pushpadanta Vyapaar Pvt. Ltd. | - | - | - | 64,100 | 900,000 | 3,395,100 |
| (b) | Advances Given/Repaid Kaushalya Infrastructure Development Corporation Ltd. Kaushalya Township (P) Ltd. | - | - | - | 3,395,100 | - | 900,000 |
| (c) | Balance Receivable as at 31.03.2015 | - | - | - | - | - | - |
| (d) | Balance Payable as at 31.03.2015 | - | - | - | - | - | - |

*The related parties have been identified by the Management.

Note 12: Earning Per Shares

Year Ended 31.03.2015

Amount (Rs.)

| | Continuing Operations | | | | Discontinuing Operations | | | | Total Operations | | | |
|--------------------------------|--|---------|---|---------|--|---------|---|---------|--|---------|---|---------|
| | Before Extraordinary and Exceptional Items | | After Extraordinary and Exceptional Items | | Before Extraordinary and Exceptional Items | | After Extraordinary and Exceptional Items | | Before Extraordinary and Exceptional Items | | After Extraordinary and Exceptional Items | |
| | Basic | Diluted | Basic | Diluted | Basic | Diluted | Basic | Diluted | Basic | Diluted | Basic | Diluted |
| Face Value of Shares | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 10 |
| Profit | 1448 | 1448 | 1448 | 1448 | 0 | 0 | 0 | 0 | 1448 | 1448 | 1448 | 1448 |
| Weighted Average No. of Shares | 100000 | 100000 | 100000 | 100000 | 100000 | 100000 | 100000 | 100000 | 100000 | 100000 | 100000 | 100000 |
| EPS (Rs.) | 0.01 | 0.01 | 0.01 | 0.01 | 0 | 0 | 0 | 0 | 0.01 | 0.01 | 0.01 | 0.01 |

harshav

Lamin



KAUSHALYA ENGERGY PRIVATE LIMITED

Notes forming part of the Financial Statements

Year Ended 31.03.2014

Amount (Rs.)

| | Continuing Operations | | | | Discontinuing Operations | | | | Total Operations | | | |
|--------------------------------|--|---------|---|---------|--|---------|---|---------|--|---------|---|---------|
| | Before Extraordinary and Exceptional Items | | After Extraordinary and Exceptional Items | | Before Extraordinary and Exceptional Items | | After Extraordinary and Exceptional Items | | Before Extraordinary and Exceptional Items | | After Extraordinary and Exceptional Items | |
| | Basic | Diluted | Basic | Diluted | Basic | Diluted | Basic | Diluted | Basic | Diluted | Basic | Diluted |
| Face Value of Shares | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 10 |
| Profit | (25) | (25) | (25) | (25) | 0 | 0 | 0 | 0 | (25) | (25) | (25) | (25) |
| Weighted Average No. of Shares | 100000 | 100000 | 100000 | 100000 | 100000 | 100000 | 100000 | 100000 | 100000 | 100000 | 100000 | 100000 |
| EPS (Rs.) | (0.00) | (0.00) | (0.00) | (0.00) | 0 | 0 | 0 | 0 | (0.00) | (0.00) | (0.00) | (0.00) |

Note 13: Previous Year Figures

Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

In terms of our report attached.

For Sarp & Associates

Firm Regn. No. 007375C

Chartered Accountants

S. Agarwal

Shailesh Agarwal

Partner

Membership No. 063220

Place : Kolkata

Date : 28th day of May, 2015

For and on behalf of the Board of Directors

Prashant Mehra

Prashant Mehra

Director

Kartik Mehra

Kartik Mehra

Director

Place : Kolkata

Date : 28th day of May, 2015

