

छठी वार्षिक रिपोर्ट 6th ANNUAL REPORT 2016 - 2017



सोलर एनर्जी कॉरपोरेशन ऑफ इंडिया लि.
(भारत सरकार का उपक्रम)

SOLAR ENERGY CORPORATION OF INDIA LTD.
(A GOVERNMENT OF INDIA ENTERPRISE)

VISION

To build 'Green India' through harnessing abundant solar radiation and to achieve energy security for the country

MISSION

To become the leader in development of large scale solar installations, solar plants and solar parks and to promote and commercialize the use of solar energy to reach remotest corner of India.

To become leader in exploring new technologies and their development to harness solar energy.

OBJECTIVES

- Develop Ultra Mega and Large scale plants including Solar Parks
- Own, operate, develop & manage both grid connected & off grid solar installations including Rooftops
- To take up energy access programs for rural and remote areas through Solar energy
- To test new technologies in Solar through pilot projects leading to commercialization.
- To exchange, distribute & trade power in furtherance of JNNSM goals
- To promote integrated power generation projects of Solar with conventional & renewable sources

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BOARD OF DIRECTORS



Anand Kumar
Chairman



Jatindra Nath Swain
Managing Director



J.B. Mohapatra
Govt. Nominee Director



C. Kannan
Director (Finance)



Rajeev Bhardwaj
Director (HR)



Chairman's Speech for 6th Annual General Meeting 2016-17

Dear shareholders,

I welcome you all to the 6th Annual General Meeting of your company. I thank you all for the support and confidence reposed in SECI for the sixth consecutive year, and look forward to the same in the times to come.

Your company has been playing a crucial role in maintaining the momentum of the expanding RE sector in the country and has ensured that this remains one of the most attractive investment destination globally.

The year 2016-17 had been a crucial year in bringing the Government's target of 175 GW of RE power generation capacity to realization. A challenging task, given that the nation was standing at 42.8 GW of RE on 31.3.2016, and one that required utmost commitment, steadfastness and hard work to be achieved. Nevertheless, a task in progress. Today, we are proud that the country has managed to expand the sector by about 34 percent as we have achieved 57.3 GW of RE installed capacity as on 31.3.2017.

In my view, the most notable trend of the year has been the significant drop in solar and wind power tariffs that have broken all precedents and touched grid parity. RE power has now truly become the 'Power of the common man' – Clean, unending and affordable.

By handling several prestigious schemes of the Government of India, your company has been at the centre stage of this phenomenon. In solar power, more than 600 MW project capacity has been commissioned under these schemes this year, and much more capacity is under progress. Even the first project to reach a sub- Rs. 4.0 per unit tariff (in Rewa, Madhya Pradesh) has its association with SECI, as the project is being developed on a solar park owned by SECI's Joint Venture company.

Subsequently, your company has been instrumental in the discovery of sub- Rs. 3.0 per unit tariff as well, in two different tenders. The last tariff (Rs. 2.44 per unit in Bhadla Solar Park, Rajasthan) remains unmatched in the country to this day.

SECI has brought out possibly the world's largest tender for rooftop solar- of 500 MW capacity for residential and institutional buildings this year, and has followed it up with another equally large tender for the Government/ Public sector buildings. Both the tenders have been well appreciated in the industry.

Your company has also brought about a phase shift in the wind power sector by coming out with a 1 GW tender for procurement of wind power on a pan-India basis. Not only has this ushered in an era of competitive

procurement of wind power, but it has also broken the stalemate situation in wind-rich states. That the tender was oversubscribed by 1.6 times, and that the discovered tariff (Rs. 3.46 per unit) was an all-time low till then, gives the idea of its market acceptance.

Even in financial terms, your company has displayed excellent performance. The total Revenue and Profit before tax (PBT) have registered 37 percent and 124 percent growth over the previous year's achievements respectively.

Your company operates in a very dynamic market segment, and its flexibility forms its main strength. We, at SECI, have been continually expanding the frontiers of our business activities, from schemes to projects to rural electrification to wind power- the journey has just started. While we move forward, we are well attuned to the demands of the sector- hybrids, floating solar, energy storage solutions, etc. and strive to meet them in readiness.

The goals of tackling global climate change, bringing electricity to every household, empowering our countrymen and ensuring the nation's energy security are placed on a very high pedestal by your company. Once again, I seek your cooperation in our endeavours to contribute to these goals in the days to come.

I express my heartfelt gratitude towards stakeholders and partners- the Ministry of New and Renewable Energy, the Ministry of Power, Department of Economic Affairs, Department of Public Enterprises, the World Bank, Distribution companies, State Nodal Agencies, esteemed clients, project developers, bankers, contractors, consultants etc. and, last but not the least, the dedicated employees of SECI, without whom none of this would be possible.

**Thank you,
Yours faithfully,**

Sd/-

**(Anand Kumar)
Chairman**

**Place : New Delhi
Date : 21.09.2017**

DIN No. 03194060

NOTICE OF AGM

Notice is hereby given that Sixth Annual General Meeting of the Members of the Solar Energy Corporation of India Limited will be held on 21st September, 2017 (Thursday) at 11.00 a.m. in the Conference Room, (Room No.105), Ministry of New and Renewable Energy, Block No.14, CGO Complex, Lodhi Road, New Delhi 110003

ORDINARY BUSINESS

Item No. 1.

To receive, consider and adopt the audited Balance Sheet as at 31st March 2017 and Statement of Profit & Loss Account for the financial year ended on that date together with Report of the Board of Directors and Auditor's Report thereon (Standalone and Consolidated Financial Statement) .

Members are requested to consider the above proposal and if thought fit to pass with or without modification(s) the following resolution as an Ordinary Resolution: -

"RESOLVED THAT the Audited Balance Sheet & Profit and Loss Account and Cash Flow Statement (along with the Accounting Policies and notes to the accounts) for the financial year ended March 31, 2017 along with the Auditor's Report (Standalone and Consolidated Financial Statement) and the Director's Report as circulated to the shareholders and laid before the meeting, be received, considered and adopted."

Item No. 2.

To declare the dividend of Rs. 45.92 (rounded off to two digits) per equity share (aggregating to Rs. 13,96,12,689/-) for the financial year ended March 31, 2017.

Members are requested to consider the above proposal and if thought fit to pass with or without modification(s) the following resolution as an Ordinary Resolution

"RESOLVED THAT, dividend of Rs. 45.92 (rounded off to two digits) per equity share on 30,40,000 equity shares (aggregating to Rs. 13,96,12,689/-), as recommended by the Board of Directors of the Company, for the year ended March 31, 2017, be and is hereby declared and the same be paid to the eligible members of the Company."

Item No. 3.

To consider the fixation of remuneration of M/s. R.S.P.H. & Associates as Statutory Auditors for the Financial Year 2017-18.

Members are requested to consider the above proposal and if thought fit to pass with or without modification(s) the following resolutions as an Ordinary Resolution: -

RESLOVED THAT, M/s R.S.P.H. & Associates, Chartered Accountants, who has been appointed as the Statutory Auditor of Solar Energy Corporation of India Limited by the C & AG for the financial year 2017-18 vide Letter No CA.V/COY/CENTRAL GOVERNMENT.SECI(0)/154 dated 20.07.2017, shall be paid the

consolidated fee of Rs. 3,00,000 + out of pocket expenses not exceeding 10% of the fee + taxes as applicable, for the Financial Year 2017-18.

FURTHER RESOLVED THAT, Managing Director, be and is hereby authorised to finalize the terms of engagement with M/s R.S.P.H. & Associates, Chartered Accountants for any change in the remuneration and to do such other acts or deeds incidental or ancillary in connection therewith."

By Order of the Board of Directors

Sd/-
(Sunil Kumar)
Company Secretary

Place: New Delhi

Date : 20.09.2017

NOTE:

1. A Member entitled to attend and vote at the Meeting is entitled to appoint proxy to attend and vote instead of himself/herself and proxy need not be a Member of the Company. A proxy form is enclosed.

PROXY FORM

I/We S/o In the district of being a member of the above named company hereby appoint S/o in the district of Or failing him / her S/o In the district of as my proxy to vote for me and on my behalf at the 6th Annual General Meeting of the Company to be held on the 21st, September, 2017 (Thursday) at 11.00 A.M. and at any adjournment thereof.

Signed this day of, 2017.

Signature

Note :

The proxy form must be returned so as to reach the Registered Office of the Company not less than 48 hours before the time for holding the aforesaid meeting. The Proxy need not be a shareholder of the Company.

DIRECTORS' REPORT 2016-17

To

The Members,

Solar Energy Corporation of India Limited

Your Directors have pleasure in presenting before you the 6th Annual Report on the business and operations of the company along with the Audited Financial Statements for the Financial Year ended on 31st March, 2017.

PERFORMANCE HIGHLIGHTS

The highlights of the performance of the company for financial year 2016-17 are mentioned hereunder with comparative position of the previous year's performance:

Particulars	Amount (Rs. in lakhs)	
	For the Financial Year Ended 31st March, 2017	For the Financial Year Ended 31st March, 2016
Share capital	30,400.00	20,400.00
Net Worth	36,768.54	22,114.70
Total Revenue	79,815.72	57,912.25
Profit/(Loss) Before Tax	7,279.09	3,246.85
Profit/(Loss) After Tax	4,653.75	1,910.14

FINANCIAL PERFORMANCE

Net profit after tax of the company for the financial year 2016-17 has increased by 144% to Rs 46.54 Cr. from Rs 19.10 Cr. in the previous year. During the period, revenue from operations have increased to 785.36 Cr. from 573.90 Cr. and Net worth of the company as on March 31st, 2017 has increased to Rs 367.69 Cr. from Rs 221.15 Cr.

DIVIDEND

The Company proposes a dividend of 30% of PAT which is subject to the approval of the shareholders of the Company.

SHARE CAPITAL

The issued and paid up capital of the Company as on March 31st, 2017 was 30,40,000 equity shares of Rs 1000/- each against authorized share capital of Rs 2,000 Crores divided into 2,00,00,000 shares of Rs.1,000 each. During the Financial year 2016-17, company has allotted 10,00,000 shares to the President of India. The President of India holds 100% of the paid up equity share capital of the company.

FUND AND NON FUND BASED FACILITY

The Company was sanctioned a term loan of Rs 49 Crore from State Bank of India, against the mortgage of 10 MW Solar PV Project assets, set up at Rajasthan. The amount availed has been fully repaid during the year.

The Company has also been sanctioned non fund based facility of Rs 50 Crore each from HDFC Bank Limited, ICICI Bank Limited and State Bank of India. The limit sanctioned by HDFC Bank Limited and State Bank of India is against hypothecation of all present and future receivables.

GRID CONNECTED SOLAR POWER PROJECTS THROUGH VGF SUPPORT

750 MW VGF Scheme

The 750 MW VGF scheme was the first scheme of the Government of India that was based on the concept of providing viability gap funding to Solar Project Developers (SPDs) for supplying power to distribution companies (Discoms) at pre-determined tariff of Rs. 5.50 per kWh. It was the first scheme under the National Solar Mission Phase-II, and the first large-scale scheme implemented by SECI. The scheme gave equal impetus to domestic manufacturing of solar cells and modules with international ones, as well as paved the way for large-scale interstate sale of solar power across the country.

Through a transparent, competitive selection process, SPDs were selected and 43 projects (680 MW capacity in total) were successfully implemented under the scheme across seven states with active intervention of SECI at all levels for streamlining the policy and regulatory landscapes.

As part of the scheme implementation, SECI became the power trading intermediary between the project developers and the Discoms, thus entering into long term Power Purchase Agreements (PPAs) with SPDs and back-to-back Power Sale Agreements (PSAs) with Discoms. This was a measure undertaken to reduce payment risks and thereby encourage investments in solar energy. As an additional risk mitigation measure, a Payment Security Mechanism was also established to cover payment delays by Discoms.

In the year under consideration, 680 MW capacity has been under commercial operation. VGF disbursement has been Rs. 116.71 Cr. during the same period.

2000 MW VGF Scheme

After the successful implementation of first batch of VGF scheme, the second batch of 2000 MW VGF scheme was assigned to SECI by MNRE for implementation. While based on similar concept as the previous VGF scheme, this scheme had some distinct features, as highlighted below:

- Under this batch, the tariff for supply of solar power to Discoms was fixed from time to time, based on market dynamics, by a committee and Rs. 4.50 per kWh was fixed for initial tenders, in order to pass on the benefit of reduced prices to the consumers.
- This scheme was to be implemented in a state-specific manner, in which bulk of power generated would be consumed within the state itself.
- Projects were permitted to be set up within solar parks, and outside solar parks as well, in a pre-notified manner, depending upon the readiness of the solar parks being developed in the states.
- The bidding process was implemented through electronic reverse-bidding and reverse-auctioning mode, in order to enhance speed, transparency and competition in the process.

In the year under consideration, SECI has issued four tenders, with total capacity of 285 MW, in addition to tenders for 2095 MW capacity issued in the previous year. Tenders for additional capacity could be issued as the VGF sought by the bidders was within the allocated VGF of Rs. 2000 Cr. which resulted in substantial savings on VGF amount.

For the afore-mentioned tenders, reverse-auctions were conducted and Letters of Intent (LoI) were issued to

project developers for 1845 MW capacity, across five states, in this year. Out of the awarded capacity, PPAs were signed for 2295 MW in 2016-17.

Financial Closures of 445 MW capacity has been completed. The projects are scheduled for commissioning in 2017-18.



2X20 MW Solar PV Project at Katol, Maharashtra

5000 MW VGF Scheme

In order to accelerate the solar capacity additions in the country, another batch of 5000 MW capacity under VGF Schemes was assigned by MNRE to SECI for implementation.

Similar to the earlier schemes, this scheme also provides for supply of solar power to Discoms at Rs. 4.50 per kWh, from projects set up by the selected developers, with SECI as the trading intermediary. These projects could also be set up either in solar parks or outside, based on the parks' readiness, and were to be implemented in a state-specific manner. The selection methodology for developers was electronic bidding followed by reverse auctioning.

In the year under consideration, tenders were issued for 2820 MW capacity across six states. Out of this, reverse-auctions were conducted for 970 MW capacity and the same capacity was awarded to project developers in the year. Of the awarded capacity, PPAs were signed for 970 MW.

The projects are scheduled for commissioning in 2017-18 and 2018-19. It is noteworthy to mention that projects of 80 MW capacity have reported early commissioning during the year 2016-17.

One of the major highlights of the scheme has been the discovery of lowest ever solar tariff of Rs. 2.44 per kWh, in the tender issued by SECI for Bhadla solar park in Rajasthan.



40 MW solar PV project at Charanka, Gujarat

PAYMENT SECURITY

With a view to mitigate the payment default/ delay risk, the Government of India has put in place a Payment Security Mechanism (PSM). The PSM fund is a revolving fund covering 7750 MW capacity of projects under the VGF schemes.

The Government has also included SECI as one of the parties in the Tripartite Agreement (TPA) Mechanism, made available to select other PSUs such as NTPC, PFC, CIL etc.

GRID CONNECTED ROOF-TOP SCHEME

Your company has been assigned the implementation of MNRE flagship rooftop scheme(s) as a Nodal Agency. The Company is playing a catalytic role for the growth of this high potential solar roof-top PV segment by way of

allocation of capacities through open competitive bidding process, creating conducive environment for implementation of the scheme, simplifying processes towards 'Ease of doing Business', creating awareness among various stakeholders through conferences / workshops / roundtables etc., encouraging MNRE Channel Partners, New Entrepreneurs and SMEs and also creating a robust monitoring / verification / inspection protocol.

During the Financial Year 2016-17, SECI implemented various schemes involving both the CAPEX and RESCO Models, PMC projects etc. The year has been remarkable in terms of achievement in the rooftop segment as:

- Under 50 MWp Rooftop Grid-Connected Scheme in RESCO mode for CPWD/Government owned-buildings, an aggregate 20 MWp capacity was added in the India's installed rooftop capacity.
- Your company launched India's largest rooftop tender of 500 MWp capacity rooftop tender (with 30% subsidy for general category States and 70% subsidy for special category States), Against the above, Letters of Award (LoA) were issued for a capacity of 292 MWp. The scheme covered implementation of rooftop systems in Social, Residential, and Institutional Sector.
- Your company also launched 500 MW grid connected rooftop tender (with 25% incentive for general category States and 60% subsidy for special category States) under the "Achievement Linked Incentive Scheme" of MNRE for buildings in Government Ministries, Departments, Central and State and the scheme is in the process of implementation.
- Your company has also awarded a contract for implementation of 500 numbers of White LED based Solar Street Lights in Varanasi, the Parliamentary Constituency of our Hon'ble Prime Minister.
- SECI has signed an MOU with BHU, Varanasi for the installation of 8 MW solar rooftop plant & 50 MW ground mounted solar power plant in the South Campus (Barkhacha) of BHU.

The company has successfully commissioned 43 MW capacity during the year.

SOLAR PARKS SCHEME

The concept of solar parks, where pre-developed infrastructure for development of solar projects is made available to project developers, was brought with the view to accelerate India's capacity addition in solar power. MNRE launched a scheme for facilitating development of solar parks for 20,000 MW of project capacity, and designated SECI as the Nodal Agency for implementation. The scheme received encouraging response from states and 34 solar parks with aggregate capacity of 20,000 MW were approved. Another scheme of 20,000 MW of solar parks has been recently approved by MNRE.

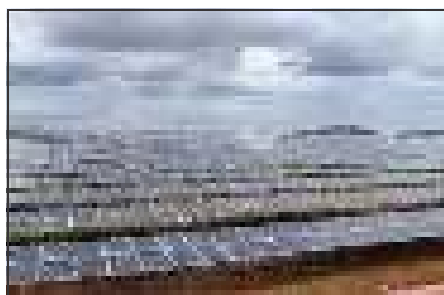
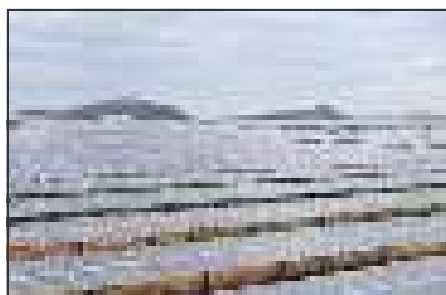
The parks are in various phases of development. 2170 MW capacity has been commissioned, 2995 MW capacity is under progress, 5125 MW is under tendering and 9250 MW is in the DPR stage (till Sept, 2017).

The parks are being developed either by State Government Agencies or Private Entities or JV companies of SECI and State Government Agencies.

The solar parks in 6 States (Andhra Pradesh, Karnataka, Madhya Pradesh, Kerala, Uttar Pradesh and Himachal Pradesh) are being developed through Joint Venture Companies of SECI with State Government Agencies in 50:50 ratio of ownership. The details of solar parks being developed/ proposed in JV mode with SECI are given below:

State	Park Capacity (MW)	Solar Park Implementation Agency	JV Partners	Location(s)
Andhra Pradesh	4000	Andhra Pradesh Solar Power Corporation Private Limited	SECI, APGENCO & NREDCAP	Anantpur, Kadapa, Kurnool in Andhra Pradesh.
Karnataka	2000	Karnataka Solar Power Development Corporation Private Limited	SECI & KREDL	Tumkur in Karnataka.
Madhya Pradesh	2750	Rewa Ultra Mega Solar Limited	SECI & MPUVNL	Rewa, Neemach, Agar, Mandaur, Rajgarh, Shajapur, Chhatarpur, Morena in Madhya Pradesh.
Uttar Pradesh	600	Lucknow Solar Power Development Corporation Limited	SECI & UPNEDA	Kanpur Dehat, Mirzapur, Allahabad and Jalaun in Uttar Pradesh
Kerala	200	Renewable Power Corporation of Kerala Ltd.	SECI & KSEB	Kasargod in Kerala.
Himachal Pradesh	1000	Himachal Renewables Ltd.	SECI & HPSEB	Pooh, Kibber, Hikkim, Hull, Losar in Himachal Pradesh.

Central Financial Assistance (CFA) of Rs. 117.48 Cr. has been released by SECI for the development of all solar parks in the year under consideration.



Photographs of 250 MW capacity in Anantpur solar park, Andhra Pradesh

SCHEME FOR 1000 MW WIND POWER

MNRE had sanctioned a scheme for setting up of 1000 MW wind power projects to be implemented by SECI. Under the scheme, SECI is required to select the project developers through a tariff-based competitive bidding process, and is required to select a power trading intermediary for long term sale of power from these projects to various Discoms.

Post release of this scheme, in the year under consideration, SECI has issued tender documents for selection of power trading company and has awarded the contract to M/s PTC India Ltd. SECI has also issued tender for selection of project developers and work has been awarded for 9 projects. This tender has marked SECI's diversification into large-scale wind power segment.

The wind power tender was a unique endeavor on at least two counts: firstly, that it heralded in the era of competitive procurement of wind power, that is expected to bring about rationalization of power tariffs and enhance competition in the industry; and secondly, that it has introduced large-scale inter-state transfer of wind power through the Central Transmission Utility (CTU) network, thereby allowing other than wind-rich states to avail the benefits of wind energy.

The wind power tender was very well received in the industry. Against the tendered capacity of 1000 MW, bids cumulating 2593 MW were received and 1050 MW was awarded. The tender resulted in discovery of record-low tariff of Rs. 3.46/kWh, which was way below the prevailing Feed-in-Tariffs (FITs) being offered in many states, and has paved the way for price correction for the overall benefit of consumers.

Based on the success of this tender, MNRE has recently assigned SECI the implementation of the next batch of 1000 MW capacity of wind projects, for which tender was brought out subsequently. Further, SECI will be trading power from this scheme on its own.

CPSU SCHEME

MNRE brought out a scheme for encouraging Government Departments and Central Public Sector Undertakings (CPSUs) to set up solar power projects. SECI was designated as the implementing agency for the scheme. The target capacity is 1000 MW and it envisaged to provide CFA to CPSUs for developing solar projects using domestically manufactured solar modules and/or cells. SECI is entrusted with the release of CFA to eligible CPSUs.

1037.26 MW capacity was sanctioned under the scheme by MNRE to various departments/PSUs. Out of this, 520 MW capacity has been commissioned during 2016-17. An amount of Rs. 393.50 Cr. has been released by SECI as subsidy in the year under consideration.

CANAL TOP/ CANAL BANK SCHEME

MNRE had launched a pilot scheme involving setting up of solar projects on canal-tops and canal-banks, with SECI being the implementing agency. The scheme capacity of 100 MW was allocated to various state agencies for developing these projects.

In the year under consideration, projects are being developed in 8 states viz. Punjab, Uttar Pradesh, Uttarakhand, Gujarat, Andhra Pradesh, Karnataka, Kerala and West Bengal. 5 MW capacity has been commissioned in 2016-17. CFA of Rs. 30.83 Cr. has been disbursed by SECI during the period.

Projects commissioned under Canal-top and Canal-Bank schemes



1 MW Canal-top project in Andhra Pradesh



2 MW Canal-top project in Kerala

VGf SCHEME FOR DEFENCE ESTABLISHMENTS

With a view to encourage defence establishments to set up solar power projects, MNRE launched a VGf scheme with capacity of 300 MW, with SECI as the implementing agency. In order to facilitate development of projects, SECI has been actively interacting with various organizations including Ordnance Factory Board, Military Engineering Services, Border Security Forces, Cantonment Boards and Air Force Stations, etc. and provided assistance with feasibility assessments and bid management in several cases.

Two projects- Ordnance Factory Board, Ambajhari (5 MW) and Ordnance Factory Board, Bhandara (2 MW), in which SECI has been closely associated with the implementation process, have been installed in the year under consideration. A project of Bharat Electronics Ltd. (BEL) project of 15 MW has been installed in May, 2017 and a project of Bharat Dynamics Ltd. (BDL) of 5 MW capacity is under execution. SECI is the project Management consultant in both these projects.

CFA of Rs.3.75 Cr. has been released through SECI during the year.

SECI'S OWN PROJECTS

10 MW Jodhpur: SECI is developing its own projects' portfolio wherein the first solar PV project of 10 MW capacity was commissioned in Jodhpur, Rajasthan in 2015-2016. The plant has generated 18.9 million units in 2016-17, corresponding to annual CUF of 21.61% on AC basis.

SECI Project- 10 MW Jodhpur



1 MW Andaman & Nicobar (A&N):

SECI is also developing 1 MW capacity of rooftop solar projects in Andaman & Nicobar Islands under its ownership, which has been installed. The energy produced is being supplied to the A&N administration under a long term PPA at a tariff decided by the Joint Electricity Regulatory Commission (JERC).

150 MW Solar-wind hybrid project

For further development of SECI's portfolio, setting up of 400-500 MW projects in solar energy and in solar-wind hybrid technology is under active consideration.

SECI is planning to set up a 160 MW of solar-wind hybrid power plant in Andhra Pradesh/ Karnataka, with World Bank support. Project site has been identified and techno-commercial feasibility assessment of the project have been undertaken. In-principle approval of the Board of Directors for setting up of the project has also been obtained.

10 MW at DRDO, Karnataka

A 10 MW project has been identified to set up at DRDO Kolar premises in Karnataka. The project will be developed by SECI on Build Own operate basis and the generated power will be sold to DRDO establishments in Karnataka under third party open access sale. The feasibility Report has been prepared and approval from DRDO has been obtained for setting up the project. An MoU has been signed with DRDO in this regard in the year. Subsequently, in-principle approval of the Board has been obtained and the project is under execution.

Consultancy Projects

Project Management Consultancy (PMC) is developed as an important revenue-generating activity of the company. SECI has taken up assignments on turnkey basis for a number of clients, mostly CPSUs, in order to enable them in meeting their Green Energy Commitments made during RE-Invest 2015.

Projects undertaken by SECI under PMC

50 MW project at Kasargod, Kerala: SECI has undertaken development of the project under PMC works for IREDA. The project is located in the solar park at Kasargod, Kerala. 36 MW capacity has been commissioned in 2016-17. Subsequently, entire capacity has been commissioned in September, 2017.

2X100 MW projects at Madhya Pradesh: SECI is undertaking development of the projects under PMC works for Coal India. RfS was floated by SECI for implementation of 2X100 MW of Solar PV projects in Madhya Pradesh through e-tendering followed by e-reverse auctioning mode. The award recommendations were forwarded to CIL for their Board approval in the month of May, 2016. However, due to large price variations in the intervening time, the tender had to be cancelled.

Thereafter, SECI is working on a revised proposal to develop three projects of aggregate capacity 250 MW for CIL subsidiaries. DPR(s) for the Projects have been submitted. Tendering for these projects is expected to start shortly. Proposals for setting up additional 600 MW capacity in various locations in the country are also under consideration by CIL.

15 MW at Medak, Telangana: SECI is developing a 15 MW solar PV project for Bharat Electronics Limited at Medak, Telangana. The project is under MNRE's VGF scheme for Defence establishments. SECI had undertaken the bid-process management for the project, as well as turnkey project management. Tender for selection of EPC contractor was awarded in May, 2016. The project has been inaugurated on 30.05.2017.



**15 MW BEL Project remotely inaugurated by
Hon'ble Minister of Defence
Shri Arun Jaitley.**

5 MW at Bhanur, Telangana: SECI is developing a 5 MW solar PV project for Bharat Dynamics Limited at Bhanur, Telangana. The project is under MNRE's VGF scheme for Defence Establishments. SECI had undertaken the bid-process management for the project, as well as Turnkey Project Management. Tender for selection of EPC contractor was awarded in November, 2016. The project is under construction.

Projects for Sea-ports

SECI has a Memorandum of Understanding with the Indian Ports Association for setting up of solar projects at various ports on turnkey basis as the Project Management Consultant. Work is in progress at six ports. Brief details of activities undertaken in the year under consideration are given below:

Vizag Port (10 MW): The project is located in the Vishakhapatnam port premises. Power generated is consumed for captive purposes. In 2016-17, the project has been part-commissioned (6.25 MW) in Oct, 2016. Subsequently, entire capacity has been commissioned in May, 2017. The project was inaugurated by Shri Nitin Gadkari, Hon'ble Union minister of Road Transport and Highways, Shipping and Water Resources.



**Inauguration of 10 MW Vishakhapatnam Port project by Shri Nitin Gadkari,
Hon'ble Union Minister for Road Transport and Highways, Shipping and Water Resources.**

Paradip Port (10 MW): The project is located in the Paradip port premises. Power generated is to be consumed for captive purposes. Tender for selection of EPC contractor was issued by SECI in August, 2016 and work was awarded in November, 2016. The project is under construction.

New Mangalore Port (4 MW): The project is located in the New Mangalore port premises, for captive consumption of power. Tender for selection of EPC contractor was awarded in March, 2016. The project has been commissioned in December, 2016.

VO Chidambaranar Port (5 MW): The project is proposed to be located in the VO Chidambaranar port premises for captive use. This project was earlier envisaged to be owned by SECI, however, the mode of implementation is now being modified to be under the port's ownership.

Kolkata Port: The project is proposed to be located in the port premises. Power generation would be for captive purposes. Tender documents for selection of EPC contractor were issued in January, 2017. Award recommendations were forwarded to the client.

Projects under SECI PMC Works



4 MW project at New Mangalore port



10 MW project at Vishakhapatnam port

Rooftop PMC project

5 MW at Pata, Uttar Pradesh: SECI is developing a rooftop solar power plant of 5.76 MWp capacity for GAIL Ltd. at their premises in Pata, Uttar Pradesh. The project is considered to be second largest rooftop project in India. Construction works are in progress.

POWER TRADING

SECI has been entrusted responsibility of purchasing power from projects under VGF Schemes of the Government of India and selling it to various Discoms etc. through back-to-back PPAs/ PSAs.

SECI is presently selling power from projects commissioned under the 750 MW VGF scheme (NSM Phase II Batch I), 5 MW under Solarization of Indo-Pak border scheme, 2000 MW VGF scheme (NSM Phase II Batch III) and 5000 MW VGF scheme (NSM Phase II batch IV), as of Sept, 2017.

SECI is a category II interstate power trading licensee, and is in the process of upgradation of its license to category I. 1242 million units have been traded in 2016-17, across 15 states.

OFF-GRID SOLAR

During the year 2016-17, SECI was nominated as the implementing agency by Rural Electrification Corporation Limited (REC), a NAVRATNA Public Sector Enterprise under Ministry of Power (MoP), Government of India for implementation of "Rural Electrification Work of 895 nos. of Off-Grid Villages in Arunachal Pradesh by installing 300Wp Solar Power Packs covering 12193 remote habitats, 986 Public Places and 4184 nos. of Solar Street Lights under Deendayal Upadhyay Gram Jyoti Yojana (DDUGJY)". The Letter of Award has been issued and the work is likely to be completed in FY 2017-18.

INFORMATION TECHNOLOGY

SECI is maintaining a modern and secure structured data network with centralized server facility and latest desktops/laptops for users. Server room is equipped with network and internet security devices with high speed LAN and WAN connectivity. Video conferencing (VC) facility is being used for meeting/deliberations with client locations.

Company has a corporate website and secure E-mail connectivity. The responsive corporate website is compatible with all kinds of mobile and desktop devices and has the facility of dynamic transliteration to major national and international languages as per the user choice. Company has deployed a web based application to record and report scheduled solar power along with generation data for trading of solar power. A web-based portal for facilitating the processes between the company and selected bidders under 500MW solar rooftop scheme for institutions has also been recently implemented.

Company is actively promoting itself in public through social networking websites like Twitter, Facebook, LinkedIn and YouTube. An Intranet website is deployed to facilitate dissemination of relevant information relating to SECI which can be easily accessed in-house by all employees. Other applications such as payroll system for salary & miscellaneous claims and a bill monitoring system for tracking vendor payments has been developed and deployed on intranet. Company has also developed and deployed File Tracking System, an intranet based application to record physical movement of files circulated amongst departments.

Joint Ventures

Andhra Pradesh Solar Power Corporation Private Limited: This is a JV between SECI, APGENCO & NREDCAP in the shareholding ratio of 50:41:9 respectively. The JV company has been formed for development of 1500 MW Anantpur Solar Park, 1000 MW Kurnool Solar Park, 1000 MW Kadappa Solar Park and 500 MW Ananthapuramu II Solar Park in Andhra Pradesh.

Karnataka Solar Power Development Corporation Private Limited: This is a JV between SECI & KREDL in the shareholding ratio of 50:50. The JV company has been formed for development of 2000 MW Solar Park at Tumkur in Karnataka.

Lucknow Solar Power Development Corporation Limited: This is a JV between SECI & UPNEDA in the shareholding ratio of 50:50. The JV company has been formed for development of 600 MW Solar Park at Sonabhadra, Mirzapur, Allahabad and Jalaun districts in Uttar Pradesh.

Renewable Energy Corporation of Kerala: This is a JV between SECI & KSEB in the shareholding ratio of 50:50. The JV company has been formed for development of 200 MW Solar Park at Kasargod, Kerala.

Rewa Ultra Mega Solar Limited: This is a JV between SECI & MPUVNL in the shareholding ratio of 50:50. The JV company has been Formed for development of 750 MW Rewa Solar Park, 500 MW Neemuch- Mandsaur Solar Park, 500 MW Agar- Shajapur Solar Park, 500 MW Chhatarpur Solar Park and 500 MW Rajgarh- Morena Solar Park in Madhya Pradesh.

Himachal Renewables Limited: This is a JV between SECI & HPSEBL in the shareholding ratio of 50:50. The JV company has been Formed for development of 1000 MW Solar Park in Pooh, Kibber, Hikkim, Hull, Losar in Himachal Pradesh.

HUMAN RESOURCE MANAGEMENT

The Human Resource Management in SECI this year graduated towards providing strategic Business Solutions on People practices and performance management in a true business partner style, with high level of participation and enrollment of all top management. During the year, Goal based robust Performance Management System has been put in place, with an objective to drive business excellence by creating a performance oriented culture. SECI has further embarked upon HR Transformation – Running HR like Business by adopting theme of “Bold HR”. We have to be bold in our thinking, bold in our strategies and bold in our redesigning of what we do. This will help SECI in mitigating the challenges of rapid disruption it faces in its core areas of business operation, which remains to be volatile, uncertain, complex and ambiguous.

The total permanent manpower was 71 during the year with 5 employees belonging to SC, 2 employees belonging to ST and 10 employees belonging to OBC and 15 women employees.

Bilingual Personnel Manual containing all the enacted policies was published and circulated among all employees and made widely available to all stakeholders. This codification was a landmark initiative towards transparency and establishment of a well-defined delivery system in regulating the employment relationship. The Hon'ble Minister (I/c), for Power, Coal, New and Renewable Energy and Mines congratulated SECI for bringing out this Personnel Manual.



Personnel Manual Pic

54 Employees were deputed on various training programmes during the year to enhance their competencies by acquiring new knowledge and getting acquainted with the latest developments in the renewable energy sector.

During the year, the SECI CSR & Sustainability Policy was also approved and CSR Contribution of Rs. 29.01 Lakhs was donated to 'Swachh Bharat Kosh' and cheque was handed over to Shri Narendra Singh Tomar - Hon'ble Minister of Rural Development, Panchayati Raj and Drinking Water and Sanitation in the presence of Shri Parmeshwaran Iyer, Secretary, Rural Development, Panchayati Raj and Drinking Water and Sanitation and Shri J.S. Mathur, Secretary, Panchayati Raj, Govt. of India.



This year, SECI celebrated its Foundation Day on an even grander scale, which was inaugurated by the Hon'ble Minister of State for Power, Coal, New and Renewable Energy and Mines (I/c) Shri. Piyush Goyal. Various cultural activities were organized for SECI employees and their family members. These included a musical performance with a live Orchestra Band, by Celebrity singer Anirudh followed by Shadow Art Performance, Folk Bhawai Dance culminating into a mesmerizing Arabian Dance, which garnered much appreciation from all the dignitaries and guests.



During the year, the initiatives of SECI's Human Resources got recognized by way of Director (HR), SECI being conferred with 'Best Innovative Contributor from MNRE' by Hon'ble Minister, for Power, Coal, New and Renewable Energy and Mines (I/c), Sh. Piyush Goyal in the Programme of Joint Meeting of Senior Officers of Power, Coal, New & Renewable and Mines held on 9th September, 2016. Director (HR) was also conferred with the "HR Leadership Award" – PSU Focus by World HRD Congress in its 25th Anniversary celebration held at Mumbai on 16th February, 2017.



Particulars of Employees

The total permanent manpower was 71 during the year with 5 employees belonging to SC, 2 employees belonging to ST and 10 employees belonging to OBC and 15 women employees.

OFFICIAL LANGUAGE

In conformity with the Official Language policy of the Government of India to promote the use of Hindi in our daily official work and to achieve the targets prescribed by the Department of Official Language in their Annual programme, multi-pronged efforts have been made to increase the use of Hindi in our official work. For this purpose, during the year, four workshops were organized in which officers and employees were acquainted with the requirements of Official Language Act and Rules framed thereunder. Besides these, officers and employees were also imparted training on working in Hindi on computers. The company also internally conducts quarterly review of the progress made in the Rajbhasha implementation. Four meetings of official language implementation committee were held during the year. All the forms and standard drafts within the company have been made bilingual; in Hindi and English. Further, the SECI Personnel Manual – a codified comprehensive document containing all the enacted policies has also been published bilingually.

As “Mukhya Rajbhasha Adhikari”, Director (HR), SECI got letter of appreciation dated 19.12.2016 from MNRE for robust and continuous commendable progress in Rajbhasha implementation, setting an example for all other PSUs.

Hindi Fortnight was organized from 1st September, 2016 to 14th September, 2016. On this occasion, various Official language related competitions were organized. 20 winners were awarded cash prizes by our Managing Director, SECI

Prevention of Sexual Harassment

During the year, no complaint was received under the prevention of Sexual Harassment Act.

VIGILANCE

Vigilance Department has been entrusted with the role of ensuring that all the instructions / guideline issued by the Central Vigilance Commission (CVC) are being complied with in SECI. Vigilance Department also conducts Preventive Checks to find out about the wrong doings committed / likely to be committed; investigates complaints, process investigations report for further necessary action, refer matters to the CVC for advice, wherever necessary and suggest / recommend for System Improvements to bring about greater equity and fairness in SECI procedures and systems. In order to promote transparency and efficiency in the working of the Corporation, various initiatives like e-tendering, e-payments, file tracking system, etc., have been implemented. Vigilance Awareness Week, 2016 was observed in SECI from 31st October, 2016 to 05th November, 2016. In the inaugural function, pledge taking ceremony was followed by reading of messages of various dignitaries including Hon'ble President, Hon'ble Vice-President, Hon'ble Prime Minister and Central



Vigilance / Vigilance Commissioners by the MD and functional Directors. As per the programme schedule, various competitions were conducted during the course of the Vigilance Awareness Week. Participation in Hindi language was also promoted. A half day "Interaction Meet" was also convened with the borrowers/customer/vendors/contractors of SECI on 03rd November, 2016. The Meeting was attended by 19 representatives of borrowers/customers/vendors/contractors of SECI and also by MD, the functional Directors and all the Department and Group Heads of SECI. In his inaugural address, CVO emphasized on the importance of involvement and empowerment of SECI's Customers/Vendors/Contractors as they are important stakeholders. A half day Training Workshop on "**Preventive Vigilance and Vigilance Awareness**" was also organised on 04.11.2016 at India Habitat Centre, 18 Officials from SECI participated in the Half-day Training Workshop on Preventive Vigilance.



SECI officials participating in the competition conducted during Vigilance Awareness week held from 31st October, 2016 to 05th November, 2016.

RIGHT TO INFORMATION

Your Company has implemented the Right to Information Act, 2005 to provide information to the citizens of India and also to maintain accountability and transparency in the working of the company. The company has a designated Public Information Officer (PIO) and Appellate Authority at its registered office. During 2016 - 17, 30 RTI applications were received, all of which were duly processed and replied to.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186

The company has not extended any loans. However, the company has given indemnity to banks for issuing guarantees/Letter of Credit(s) to the tune of Rs. 10.15 Cr., in favour of transmission companies, Tax Authorities and others. The company has invested surplus funds of SECI and MNRE funds in short term deposits with banks and no other investments are made.

Particulars Regarding Conservation Of Energy, Technology Absorption and Foreign Exchange Earnings & Outgo

The company has not made any foreign currency earnings. The expenditure of foreign currency during the period is Rs. 26,89,776/- mainly for official tours and travels.

AUDIT OF ACCOUNTS

M/s RSPH & Associates, Chartered Accountants, were appointed as Statutory Auditors for the year 2016-17 by the Comptroller and Auditor General of India, New Delhi. The Report of Statutory Auditors for standalone and consolidated financial statements for 2016-17 is placed at **Annexure-A**. There were some qualifications made by the Statutory Auditors on consolidated financial statements. Management's reply to these qualifications is given in **Annexure-B**. Comments of C & AG are placed at **Annexure-C**. Comments of C & AG being 'Nil', replies by the Management is not applicable.

CORPORATE GOVERNANCE

A report on Corporate Governance, forming part of this report, is given at **Annexure-D**. A Certificate of Compliance on Corporate Governance received from the practicing Company Secretary, Ashu Gupta & Company, Company Secretaries, is given at **Annexure-E**.

EXTRACT OF ANNUAL RETURN

In accordance with the provisions of Section 134(3) of the Companies Act, 2013, an Extract of Annual Return in the prescribed format is enclosed at **Annexure- F**, to this Report.

INTERNAL FINANCIAL CONTROL

The Board has adopted the policies and procedures for ensuring the orderly and efficient conduct of its business, including adherence to the business policies, safeguarding of its assets, prevention and detection of frauds and errors, accuracy and completeness of accounting records, and timely preparation of reliable financial disclosures

CODE OF CONDUCT

In compliance with the DPE Guidelines, the Company has framed the Code of Conduct and Ethics ("The Code") which is applicable to all the Board Members and Senior Managerial Personnel one level below the Board. The affirmation regarding the compliance of the Code has been obtained from all the Board Members and Senior Managerial Personnel one level below the Board.

DIRECTORS' RESPONSIBILITY STATEMENT

1. The applicable Accounting Standards have been followed along with proper explanation relating to material departures, if any;
2. Appropriate Accounting Policies have been selected and applied consistently and have made judgments and estimates that are reasonable and prudent, so as to give a true and fair view of the state

of affairs of the Company as at March 31, 2017 and statement of the profit and loss of the Company for the year ended March 31, 2017 ;

3. Proper and sufficient care has been taken for the maintenance of adequate Accounting Records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and preventing and detecting fraud and other irregularities ; and ;
4. The Annual Accounts have been prepared on a going concern basis.
5. Proper Internal Financial Controls were followed by the Company and such Internal Financial Controls are adequate and were operating effectively ;
6. Proper systems are devised to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

SECRETARIAL AUDITORS

Pursuant to the provisions of Section 204 of the Companies Act 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board of Directors has appointed M/s. Ashu Gupta & Co. Practicing Company Secretary, New Delhi for conducting Secretarial Audit for the Financial Year 2016-17.

Acopy of the Secretarial Audit Report is annexed to this Report as **Annexure-G**.

ACKNOWLEDGEMENT

Your directors acknowledge with deep sense of appreciation, the co-operation received from the Govt. of India, particularly the Ministry of New and Renewable Energy, Ministry of Power, Ministry of Finance, National Institute of Transformation of India (NITI Aayog), the Department of Public Enterprises, Central and State Electricity Regulatory Commissions, Comptroller & Auditor General of India, Statutory Auditors, State Governments, State Electricity Boards, Discoms, State Nodal Agencies.

Your directors express their heartfelt gratitude to the bilateral and multilateral agencies such as the World Bank, GIZ etc. for their continued support.

Your Directors acknowledge the faith and confidence reposed by all clients and stakeholders in SECI's business activities. Your support and co-operation is greatly appreciated.

Your directors are grateful to various Financial Institutions for the confidence reposed by them in the company.

We wish to place on record our appreciation for the untiring efforts and contributions made by the employees at all levels to ensure that the company continues to grow and excel.

For and on behalf of the Board of Directors.

For and on behalf of the Board of Directors

Place : New Delhi
Date : 21.09.2017

Sd/-
Anand Kumar
Chairman
DIN No. 03194060

ANNEXURE - A**RSPH & ASSOCIATES**

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Chartered Accountants

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INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF SOLAR ENERGY CORPORATION OF INDIA LIMITED

Report on the Standalone Financial Statements

We have audited the accompanying Standalone Financial Statements of Solar Energy Corporation of India Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2017, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

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 3 of the Companies (Indian Accounting Standards) Rules, 2015. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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 there under.

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 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

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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 March 31, 2017, and its Profit and its Cash Flow for the year ended on that date.

Emphasis on Matter

We draw attention to the following matters in the Notes to the Standalone Financial Statements:

- 1) Accounting Policy No. 1.9.2 & 1.9.3. to the Standalone Financial Statements which describes the accounting treatment of specified sums that are directly credited and debited to Payment security fund, and Accounting Policy No. 1.9.5. to the Standalone Financial Statements which describes the Revenue recognition in case of Grid –connected Rooftop Projects.
- 2) Note No. 25.18 to the Standalone Financial Statements regarding the scheduling of power could not be started for the period between 28.04.2015 to 15.01.2016 due to non-availability of long term open access., the matter was taken up with Rajasthan Urja Vikas Nigam Limited (RUVNL) for recovery of the amount and the recoverable amount of Rs. 4,80,16,000/- has been shown under Other Current Assets during the F.Y. 2016-17. As per the Management the amount is still recoverable as on the Balance sheet date.
- 3) Note No. 25.21 to the Standalone Financial Statements regarding the non-appointment of Independent Directors & Women Director on the Board of the Company in accordance with the DPE guidelines & Companies Act, 2013 and provision towards Performance related pay (PRP) of Rs. 2,59,46,846/- has been made in current year. The payment of the same shall be released on the approval of the Competent Authority.
- 4) Note No. 25.25 to the Standalone financial statements about the various balances which are subject to reconciliation/confirmation and respective consequential adjustments.
- 5) Note No. 25.26 to the Standalone financial Statements which describes SECI has signed a PPA, for purchase of Solar Power from a Solar Power Developer (SPD) of 20 MW. The SPD has commissioned the

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project in two different phases of 10 MW each. In the absence of MNRE approval for determination of tariff and acceptance of commissioning, during the year an amount of Rs. 14.73 cr. (Previous Year Rs. 0.59 cr.) have not been accounted as purchase of power and also the corresponding sale of revenue amounting to Rs. 14.86 cr. (Previous Year Rs. 0.60 cr.) have not been recognized as sales of solar power.

- 6) Note No. 25.28 to the Standalone Financial Statements regarding no provision of Dividend and dividend tax has been made during the financial year 2016-17 in line with the provisions of AS-4(Revised).
- 7) Note No. 25.30 to the Standalone Financial Statements regarding Effect of change in Accounting Policy on the Financial Statements.

Our opinion is not modified in respect of these matters.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), as amended, 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 paragraphs 3 and 4 of the Order, to extent applicable.
2. As required by section 143(5) of the Act, on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the "Annexure B", a statement on the directions and sub directions issued by the Comptroller and Auditor General of India.
3. 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, 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 3 of the Companies (Indian Accounting Standards) Rules, 2015.
 - e. Being a Government Company, pursuant to the Notification No. GSR 463(E) dated 5th June 2015 issued by Ministry of Corporate Affairs, Government of India, Provisions of Sub-Section (2) of Section 164 of the Act, are not applicable to the Company.

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- 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 C**”: and
- 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 did not have any long-term Contract as at 31st March ,2017 for which there were any material foreseeable losses, as informed to us that the company did not have any derivative contracts:
 - (iii) There were no amounts which were required to be transferred to the investor Education and Protection Fund by the Company.
 - (iv) Based on the audit procedures and relying on the management representation, we report that the Company has provided requisite disclosures on the financial statements as to holdings as well as dealings in Specified Bank Notes during the Period from 8th November 2016 to 30th December 2016 (Refer Note No.25.34)

**For and on behalf of
RSPH & ASSOCIATES
Chartered Accountants
FRN. 003013N**

**Sd/-
CA TARUN KUMAR BATRA
Partner
Membership number: - 094318**

**Place: New Delhi
Date : 25.07.2017**

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"Annexure A" to the Independent Auditors' Report

The Annexure Referred to in paragraph 1 under the heading 'Report on Other Legal & Regulatory Requirement' of our report of even date to the members of Solar Energy Corporation of India Limited on the Standalone Financial Statements for the year ended March 31, 2017:

- 1) (a) Solar Energy Corporation of India Limited ("the Company") has generally maintained proper records showing full particulars, including quantitative details and situation of Company's fixed assets;
(b) There is an annual programme of physical verification of all fixed assets 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) The title deeds of the immovable property being Leasehold land at Khasra No. 113, village Badi Sid , Tehsil –BAP , Distt. Jodhpur , Rajasthan are held in the old name of the company i.e. Solar Energy Corporation of India.
- 2) The Company does not hold any Physical Inventory. Accordingly, provisions of clause 3(ii) of the Order is not applicable.
- 3) 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 Act. Accordingly, the provisions of clause 3 (iii) (a) to (C) of the Order are not applicable to the Company.
- 4) In our opinion and according to the information and explanations given to us, the company has not given any loan or provided any guarantee or security with reference to the provisions of section 185 and 186 of the Companies Act, 2013. In respect of investment in Joint Venture Companies, the Company has complied with the provisions of Section 185 and Section 186 of the Companies Act 2013.
- 5) The Company has not accepted any deposits from the public and hence the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules, 2015 with regard to the deposits accepted from the public are not applicable.
- 6) As informed to us, the maintenance of Cost Records has not been specified by the Central Government under sub-section (1) of Section 148 of the Act, in respect of the activities carried on by the company.
- 7) (a) According to the information and explanations given to us and on the basis of our examination of the books of account, and records, the Company has been generally regular in depositing the undisputed statutory dues including Provident Fund, Employees State Insurance, Income-Tax, Sales tax, Service Tax, Duty of Customs, Duty of Excise, Value added Tax, Cess and any other statutory dues with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the above were in arrears as at March 31, 2017 for a period of more than six months

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from the date on when they become payable except EPF Payable of Rs.44,595/-in respect of some of the employees.

b) According to the information and explanation given to us, there are no material dues of income tax, sales tax, service tax, duty of customs, duty of excise, value added tax outstanding on account of any dispute.

- 8) The Company does not have any loans or borrowings from any financial institution, government or dues to debenture holders. In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of the term loan to State Bank of India.
- 9) Based upon the audit procedures performed and the information and explanations given by the management, the company has not raised moneys by way of initial public offer or further public offer including debt instruments . Further the term loan taken by the company have been applied for the purpose for which purpose they were obtained.
- 10) Based upon the audit procedures performed and the information and explanations given by the management, no case of fraud by the Company or on the company by its officers or employees has been noticed or reported during the year.
- 11) As per Notification No. GSR 463 (E) dated 5th June 2015 issued by Ministry of Corporate Affairs, Government of India , Section 197 of the Act is not applicable to the government Companies, Accordingly provisions of clause 3 (xi) of the order is not applicable to the Company.
- 12) 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.
- 13) In our opinion, the transactions with the related parties though in compliance with section 188 of Companies Act, 2013 and entered into in accordance with the applicable government guidelines, are in compliance with section 177 of the Act since such transaction have been noted by the Audit committee.

Nature of Related Party relationship and the underlying transaction	Amount Involved (Rs.)
a) Release of Central Financial Assistance to Jointly Controlled Entities under Ministry of New & Renewable Energy Scheme	Rs. 91,89,76,848/-
b) Investment in Equity	Rs. 25,00,000/-
c) Managerial Remuneration to Key Management personnel	Rs. 2,01,26,638/-

Details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.

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- 14) Based upon the audit procedures performed and the information and explanations given by the management, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of clause 3 (xiv) of the Order are not applicable to the Company and hence not commented upon.
- 15) Based upon the audit procedures performed and the information and explanations given by the management, the company has not entered into any non-cash transactions with directors or persons connected with them. Accordingly, the provisions of clause 3 (xv) of the Order are not applicable to the Company.
- 16) In our opinion, the company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions of clause 3 (xvi) of the Order are not applicable to the Company.

For and on behalf of
RSPH & ASSOCIATES
Chartered Accountants
FRN. 003013N

Sd/-
CA TARUN KUMAR BATRA
Partner
Membership number:- 094318

Place: New Delhi
Date: 25.07.2017

RSPH & ASSOCIATES

Formerly R.K. Batra & Co.

Chartered Accountants

906, Vikram Tower

16, Rajendra Place, New Delhi-110008

Ph: 41538933, 25715850

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"ANNEXURE B" TO THE INDEPENDENT AUDITOR'S REPORT

The Annexure referred to in our Independent Auditor's Report of even date to the members of Solar Energy Corporation of India Limited on the Standalone Financial Statements for the year ended 31st March, 2017.

Report on the Directions issued by the Comptroller and Auditor General of India under Section 143(5) of the Companies Act, 2013 for the financial Year 2016-17.

S.No.	Direction	Action Taken Thereon	Impact on Accounts and Financial Statements of the Company
1.	Whether the Company has clear title / lease deeds for freehold and leasehold land respectively? If not, please state the area of freehold and leasehold land for which title/lease deeds are not available.	The Company has clear title /lease deed for the entire leasehold/freehold land of the Company. In case of Property Khasra No. 113, Village Badi Sid, Tehsil BAP, Distt. Jodhpur, Rajasthan. The lease deed is in the name of Solar Energy Corporation of India. (Old name of the company)	NIL
2.	Whether there are any cases of waiver /write off of debts /Loans /Interests etc. If yes, the reasons thereof and amount involved.	According to information and explanations given to us, there are no cases of waiver /write off of debts /loans /interests etc.	NIL
3.	Whether proper records are maintained for inventories lying with third parties and assets received as gift/grant(s) from the Government or other authorities	According to information and explanations given to us, there is no inventory lying with third parties and the Company has not received any assets from Government or other authorities as gift/grants(s).	NIL

For and on behalf of
RSPH & ASSOCIATES
Chartered Accountants
FRN. 003013N

Place: New Delhi

Date : 25.07.2017

Sd/-
CA TARUN KUMAR BATRA
Partner

Membership number: - 094318

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“Annexure C” to the Independent Auditor’s Report of even date on the Standalone Financial Statements of Solar Energy Corporation of India 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 Solar Energy Corporation of India Limited (“the Company”) as on March 31, 2017 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 (“the Guidance Note”) issued by the Institute of Chartered Accountant 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.

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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 authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized 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 and on behalf of
RSPH & ASSOCIATES
Chartered Accountants
FRN. 003013N**

Place: New Delhi

Date: 25.07.2017

**Sd/-
CA TARUN KUMAR BATRA
Partner
Membership number:- 094318**

RSPH & ASSOCIATES

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COMPLIANCE CERTIFICATE

We have conducted the Audit of annual accounts of Solar Energy Corporation of India Limited (CIN:U40106DL2011GOI225263) for the year ended 31st March 2017 in accordance with the directions/ sub directions issued by the C&AG of India under Section 143(5) of the Companies Act, 2013 and certify that we have complied with all the directions / sub directions.

For and on behalf of
RSPH & ASSOCIATES
Chartered Accountants
FRN. 003013N

Place: New Delhi
Date : 25.07.2017

Sd/-
CA TARUN KUMAR BATRA
Partner
Membership number: - 094318

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INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF SOLAR ENERGY CORPORATION OF INDIA LIMITED

Report on the Consolidated Financial Statements

We have audited the accompanying Consolidated Financial Statements of Solar Energy Corporation of India Limited (hereinafter referred to as "the Company") and its Jointly Controlled Entities (the Company and its jointly controlled entities together referred to as "the Group"), comprising of the Consolidated Balance Sheet as at March 31, 2017, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the Consolidated Financial Statements".)

Management's Responsibility for the Consolidated Financial Statements

The Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015. The respective Board of Directors of the company and its jointly controlled entities are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgements 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, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the company, as aforesaid.

Auditor's Responsibility

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

While conducting the 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 there under.

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 consolidated financial statements are free from material misstatement.

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An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated 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 consolidated 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 Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence obtained by us and audit evidence obtained by the other auditors in terms of their Reports referred to in sub paragraph 1 (a) of the other matter paragraph below for 3 Jointly Controlled Entities audited by other auditors and based on the management representation in respect of other 3 unaudited financial statements of Jointly Controlled Entities, is sufficient and appropriate to provide a basis for our qualified audit opinion on the Consolidated Financial Statements.

Basis for qualified Opinion

- i) One of the jointly controlled entities Andhra Pradesh Solar Power Corporation Pvt. Limited has received demand notices from NREDCAP for Rs. 7.07 crore towards lease rent for the financial year 2015-16 on Ac. 4,427.59 of Government land taken on lease for setting up of Ultra Mega Solar Power project on N.P. Kunta Mandal, Ananthapuramu Dist., Andhra Pradesh. The said jointly controlled entity has informed that the government of Andhra Pradesh has signed a MoU with NTPC on 16th September, 2014 and as per MoU the land will be provided for setting up of the Solar Project at nominal Lease rent of Re 1 per acre. The Company has written letter to GoAP (Govt. of Andhra Pradesh) & the board of directors and management are hopeful of favourable response from the GoAP & Waiver of such demand. On the above basis, Company has not made provision for Rs. 7.07 crores in the books of Accounts for the Financial Year 2015-16. & also the Liability if any for Financial Year 2016-17. This has resulted in understating of WIP by Rs. 7.07 crores & Liability of 2016-17, which has not been estimated & equivalent increase in Current Liabilities.
- ii) One of the jointly controlled entities Andhra Pradesh Solar Power Corporation Private Limited has not made any provision for lease rent for the Financial year 2015-16 & 2016-17 on Ac.4,897.19 of government land taken on lease for setting up of Ultra mega Solar Power Project at Sakunala & Gani village, Kurnool district, Andhra Pradesh. In the absence of information, the amount of lease rent payable for this project could not be quantified, hence the effect of the same on the financial statements is not identified.

Qualified Opinion

In our opinion and to the best of our information and according to the explanations given to us, except for the

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effects of the matters described in the Basis for Qualified Opinion paragraph & effect if any due to Un-audited Financial Statements of 3 Joint Controlled Entities being considered for Consolidation, the aforesaid Consolidated 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 consolidated state of affairs of the Group as at March 31, 2017, and their consolidated Profit and their consolidated Cash Flow for the year ended on that date.

Emphasis on Matter

We draw attention to the following matters in the notes to accounts.

- 1) Accounting Policy No. 1.2.2, to the Consolidated Financial Statements in respect of intergroup inconsistencies in Accounting Policy and Accounting Policy No. 1.7, to the Consolidated Financial Statements regarding recognition of Capital grant / Central financial Assistance and Accounting Policy No. 1.11.11 to the Consolidated financial Statements regarding recognition and classification of One Time Upfront Development Charges.
- 2) Accounting Policy No. 1.11.2, & 1.11.3. to the Consolidated Financial Statements which describes the accounting treatment of specified sums that are directly credited and debited to Payment security fund and Accounting Policy No. 1.11.5. to the Consolidated Financial Statements which describes the Revenue recognition in case of Grid –connected RoofTop Projects.
- 3) Note No. 25.19 to the Consolidated Financial Statements regarding the scheduling of power could not be started for the period between 28.04.2015 to 15.01.2016 due to non-availability of long term open access., the matter was taken up with Rajasthan Urja Vikas Nigam Limited (RUVNL) for recovery of the amount and the recoverable amount of Rs. 4,80,16,000/- has been shown under Other Current Assets during the F.Y. 2016-17. As per the Management the amount is still recoverable as on the Balance sheet date.
- 4) Note No. 25.22 to the Consolidated Financial Statements which describes regarding non appointment of Independent Directors & Women Director on the Board of the Company in accordance with the DPE guidelines & Companies Act, 2013 and provision towards Performance related pay (PRP) of Rs. 2,59,46,846/- has been made in current year. The payment of the same shall be released on the approval of the Competent Authority.
- 5) Note No. 25.26 to the Consolidated Financial Statements about the various balances which are subject to reconciliation /confirmation and respective consequential adjustments.
- 6) Note No. 25.27 to the Consolidated Financial Statements describes SECI has signed a PPA, for purchase of Solar Power from a Solar Power Developer (SPD) of 20 MW. The SPD has commissioned the project in two different phases of 10 MW each. In the absence of MNRE approval for determination of tariff and acceptance of commissioning, during the year an amount of Rs. 14.73 cr. (Previous Year Rs. 0.59 cr.) have not been accounted as purchase of power and also the corresponding sale of revenue amounting to

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Rs. 14.86 cr (Previous Year Rs. 0.60) have not been recognized as sales of solar power.

- 7) Note No. 25.29 to the Consolidated Financial Statements regarding no provision of Dividend and dividend tax has been made during the financial year 2016-17 in line with the provisions of AS-4 (Revised).
- 8) Note No. 25.31 to the Consolidated Financial Statements regarding Effect of change in Accounting Policy on the Financial Statements.

Our opinion is not modified in respect of these matters.

Other Matters

1. a) We did not audit the financial statements /financial information of the following jointly controlled entities whose financial statements / financial information reflect the details given below of assets as at 31 March ,2017, total revenues and net cash flows for the year ended on that date to the extent to which they are reflected in the Consolidated Financial Statements.

Name of the Jointly Controlled Entities	Assets	Total Revenues	Net Cash Flows
1) Rewa Ultra Mega Solar Limited.	38,94,08,029	Nil	(10,20,88,048)
2) Himachal Renewables Limited	27,06,062	Nil	25,14,247
3) Karnataka Solar Power Development Corporation Ltd.	2,04,99,09,342	Nil	66,30,02,485
Total	2,44,20,23,433	Nil	56,34,28,684

These above referred of 3 Jointly controlled entities , financial Statements /financial information have been audited by the other auditors whose report has been furnished to us by the management upto 25.07.2017 and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these Jointly controlled entities, and our report in terms of sub section (3) of Section 143 of the Act in so far as it relates to the aforesaid Jointly controlled entities, is based solely on the reports of other auditors of Jointly controlled Entities.

- b) We did not audit the financial statements /financial information of the following jointly controlled entities whose financial statements / financial information reflect the details given below of assets as at 31 March ,2017, total revenues and net cash flows for the year ended on that date to the extent to which they are reflected in the Consolidated Financial Statements.

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Name of the Jointly Controlled Entities	Assets	Total Revenues	Net Cash Flows
1) Andhra Pradesh Solar Power Corporation Pvt. Ltd.	4,67,26,41,280	2,13,83,801	1,13,87,64,123
2) Lucknow Solar Power Development Corporation Ltd.	43,65,71,060	Nil	8,87,82,197
3) Renewable power Corporation of Kerala Ltd.	20,29,46,096	Nil	47,408
Total	5,31,21,58,436	2,13,83,801	1,22,75,93,728

These financial Statements /financial information of the above referred Jointly controlled Entities are unaudited and have been furnished/certified by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these Jointly controlled entities, and our report in terms of sub section (3) of Section 143 of the Act in so far as it relates to the aforesaid Jointly controlled entities, is based solely on such unaudited financial statements / financial Information & management representation on the same .In our opinion and according to the information and explanations given to us by management, the effect of the same on the consolidated financial Statements /financial Information are not material to the Group.

- 2) As reported by the Statutory Auditor of one of the jointly controlled entities, Karnataka Solar Power Development Corporation Limited in the Audit Report, the company is regular in depositing undisputed statutory dues to the appropriate authorities except the following as discussed below:--

Nature of Dues	Outstanding as on 31/03/2017 (Rs.)
Income Tax Deducted at Source	80,72,769/-
Professional Tax	2,000/-
Service Tax	3,88,558/-
Labour Welfare Cess Payable	8,36,809/-
Vat	41,02,352/-

- 3) In the Standalone Financial Statement of the Company , Solar Energy Corporation of India Limited, it has been reported that there is an undisputed amount payable in respect of EPF of Rs. 44,595/- in respect of some of the employees which is exceeding six months.

Our opinion on the consolidated financial statements of the Group, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our

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reliance on the work done and the reports of the other auditors of 3 Jointly Controlled Entities and the unaudited financial statements / financial information certified by the Management of other 3 Jointly controlled Entities.

Report on Other Legal and Regulatory Requirements

1. As required by section 143 (3) of the Act, we report that:
 - a. We have sought and, except for the matters described in the Basis for Qualified Opinion paragraph, obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements:
 - b. Except for the possible effects of the matters described in the Qualified Opinion paragraph above, In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books, the reports of the other Auditors of 3 Jointly Controlled Entities & un-audited Financial statements certified by the Management of 3 Jointly controlled Entities.
 - c. The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
 - d. Except for the possible effects of the Matters described in the basis of Qualified Opinion paragraph, the aforesaid Consolidated Financial Statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015.
 - e. Being a Government Company, pursuant to the Notification No. GSR 463(E) dated 5th June 2015 issued by Ministry of Corporate Affairs, Government of India, Provisions of Sub –Section (2) of Section 164 of the Act, are not applicable to the Company and its jointly controlled entities.
 - f. With respect to the adequacy of the internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate Report in “Annexure A”; and
 - 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 and its jointly controlled entities do not have any pending litigations which would impact their financial position.

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- (ii) The Company & its Jointly controlled Entities did not have any long term Contracts including Derivative Contracts as at 31st March, 2017 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 and its Jointly Controlled Entities .
- (iv) Based on the audit procedures and relying on the management representation, we report that the Company has provided requisite disclosures on the financial statements as to holdings as well as dealings in Specified Bank Notes during the Period from 8th November 2016 to 30th December 2016 (Refer Note No.25.42)

For and on behalf of
RSPH & ASSOCIATES
Chartered Accountants
FRN. 003013N

Place: New Delhi
Date 25.07.2017

Sd/-
CA TARUN KUMAR BATRA
Partner
Membership number: - 094318

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**“Annexure A” to the Independent Auditor’s Report of even
date on the Consolidated Financial Statements of
Solar Energy Corporation of India Limited**

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

In conjunction with our audit of the consolidated financial statements of Solar Energy Corporation of India Limited (“ the Company ”) as of and for the year ended 31st March 2017, we have audited the Internal Financial Controls over Financial Reporting of the Company and its jointly controlled companies, which are companies incorporated in India (the Company and its jointly controlled companies together referred to as “the Group”) as of that date.

Management’s Responsibility for Internal Financial Controls

The respective Board of Directors of the Company and its jointly controlled companies, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the respective company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (“the Guidance Note”) issued by the Institute of Chartered Accountant 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 respective 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 Group’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

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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 obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below for 3 Jointly Controlled Entities audited by Other Auditors and based on the Management representation in respect of other 3 un-audited Financial Statements of Jointly Controlled Entities, 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 authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized 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 and its jointly controlled companies which are companies incorporated in India, have, 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.

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Our aforesaid report under Section 143(3) (i) of the Act on the Adequacy and operating effectiveness of the internal financial controls over financial reporting in so far as it relates to 3 Jointly Controlled Entities, which are companies incorporated in India , is based on the corresponding reports of the auditors of such companies incorporated in India.

As regards to the financial statements of 3 jointly controlled Entities, which are un-audited & based on the management representation on the same, we hereby report that , their impact on the Internal Financial Control on Financial Reporting of the Group is not material.

For and on behalf of
RSPH & ASSOCIATES
Chartered Accountants
FRN. 003013N

Place: New Delhi**Date: 25.07.2017**

Sd/-
CA TARUN KUMAR BATRA
Partner
Membership number:- 094318

ANNEXURE – B

MANAGEMENT REPLIES TO THE STATUTORY AUDITORS QUALIFICATION IN RESPECT OF CONSOLIDATED FINANCIAL STATEMENT

S.No	Statutory Auditors Qualifications	Management reply
1	<p>One of the jointly controlled entities Andhra Pradesh Solar Power Corporation Pvt. Limited has received demand notices from NREDCAP for Rs. 7.07 crore towards lease rent for the financial year 2015-16 on Ac. 4,427.59 of government land taken on lease for setting up of Ultra Mega Solar Power project on N.P.Kunta Mandal, Ananthapuramu dist., Andhra Pradesh. The said jointly controlled entity has informed that the government of Andhra Pradesh has signed a MoU with NTPC on 16th September, 2014 and as per MOU the land will be provided for setting up of the Solar Project at nominal Lease rent of Re.1 per acre. The Company has written letter to GoAP (Govt. of Andhra Pradesh) & the board of directors and management are hopeful of favourable response from the GoAP & Waiver of such demand. On the above basis, Company has not made provision for Rs. 7.07 crores in the books of Accounts for the Financial Year 2015-16 and also the Liability if any for Financial Year 2016-17. This has resulted in understating of WIP by Rs. 7.07 crores & Liability of 2016-17, which has not been estimated and equivalent increase in Current Liabilities.</p>	<p>The consolidated Annual Accounts for the F.Y.2016-17 were prepared based on the un-audited Accounts of Andhra Pradesh Solar Power Corporation Pvt. Ltd. which were signed by the Statutory Auditors on 25.07.2017. The Qualification was based on the audited accounts of 2015-16. However, the said qualification does not exist in their Statutory Auditors Report for the F.Y. 2016-17 signed on 28.08.2017.</p>
2	<p>One of the jointly controlled entities Andhra Pradesh Solar Power Corporation Pvt. Limited has not made any provision for lease rent for the Financial Year 2015-16 & 2016-17 on Ac. 4,897.19 of government land taken on lease for setting up of Ultra Mega Solar Power Project at Sakunala & Gani village, Kurnool district, Andhra Pradesh. In the absence of information, the amount of lease rent payable for this project could not be quantified, hence the effect of the same on the financial statements is not identified.</p>	<p>The consolidated Annual Accounts for the F.Y.2016-17 were prepared based on the un-audited accounts of Andhra Pradesh Solar Power Corporation Pvt. Limited which were signed by the Statutory Auditors on 25.07.2017. The Qualification was based on the audited accounts of 2015-16. However, the said qualification does not exist in their Statutory Auditors Report for the F.Y. 2016-17 signed on 28.08.2017</p>

ANNEXURE – C**COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA
UNDER SECTION 143(6)(b) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL
STATEMENTS OF SOLAR ENERGY CORPORATION OF INDIA LIMITED FOR THE
YEAR ENDED 31ST MARCH 2017**

The preparation of financial statements of **SOLAR ENERGY CORPORATION OF INDIA LIMITED** for the year ended 31 March 2017 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) is the responsibility of the management of the company. The statutory auditor/auditors appointed by the Comptroller and Auditor General of India under section 139(5) of the Act is/are responsible for expressing opinion on the financial statements under section 143 of the Act based on independent audit in accordance with standards on auditing prescribed under section 143(10) of the Act. This is stated to have been done by them vide their **Audit Report dated 25th July 2017**.

I, on the behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit under section 143(6)(a) of the Act of the financial statements of **SOLAR ENERGY CORPORATION OF INDIA LIMITED** for the year ended 31 March 2017. This supplementary audit has been carried out independently without access to the working papers of the statutory auditors and is limited primarily to inquiries of the statutory auditors and company personnel and a selective examination of some of the accounting records. On the basis of my audit nothing significant has come to my knowledge which would give rise to any comment upon or supplement to statutory auditor's report.

**For and on the behalf of the
Comptroller & Auditor General of India**

**Place: New Delhi
Date: 18.09.2017**

**Sd/-
(L.Siddhartha Singh)
Principal Director of Commercial Audit &
Ex-Officio Member, Audit Board-IV**

ANNEXURE – C

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6)(b) READ WITH SECTION 129 (4) OF THE COMPANIES ACT, 2013 ON THE CONSOLIDATED FINANCIAL STATEMENTS OF SOLAR ENERGY CORPORATION OF INDIA LIMITED FOR THE YEAR ENDED 31 MARCH 2017

The preparation of consolidated financial statements of **Solar Energy Corporation of India Limited** for the year ended 31 March 2017 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) is the responsibility of the management of the company. The statutory auditor/auditors appointed by the Comptroller and Auditor General of India under section 139(5) read with section 129(4) of the Act is/are responsible for expressing opinion on the financial statements under section 143 read with section 129(4) of the Act based on independent audit in accordance with the standards on auditing prescribed under section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated **25th July 2017**.

I, on the behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit under section 143(6)(a) read with section 129(4) of the Act of the consolidated financial statements of **Solar Energy Corporation of India Limited** for the year ended 31 March 2017. We conducted a supplementary audit of the financial statements of **Solar Energy Corporation of India Limited, Renewable Power Corporation of Kerala Limited, Karnataka Solar Power Development Corporation Private Limited and Andhra Pradesh Solar Power Corporation Private Limited** but did not conduct supplementary audit of the financial statements of **Lucknow Solar Power Development Corporation Limited, Rewa Ultra Mega Solar Limited and Himanchal Renewable Limited**, for the year ended on that date. This supplementary audit has been carried out independently without access to the working papers of the statutory auditors and is limited primarily to inquiries of the statutory auditors and company personnel and a selective examination of some of the accounting records.

On the basis of my audit nothing significant has come to my knowledge which would give rise to any comment upon or supplement to statutory auditor's report.

**For and on the behalf of the
Comptroller & Auditor General of India**

**Place: New Delhi
Date: 18.09.2017**

**Sd/-
(L.Siddhartha Singh)
Principal Director of Commercial Audit &
Ex-Officio Member, Audit Board-IV**

ANNEXURE-D

REPORT ON CORPORATE GOVERNANCE

The Company is committed to sound Corporate Practices based on conscience, openness, fairness, professionalism and accountability for achieving sustainable long term growth to achieve the Mission set under JNNSM.

1. COMPANY'S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE.

The Company firmly believes and has consistently practiced good Corporate Governance. The Company's Policy is reflected by the values of transparency, professionalism and accountability. The company constantly strives towards betterment of these aspects and thereby generating long term economic value for its customers, employees, stakeholders and the society as a whole.

SECI is committed to be a competitive, client-friendly and development-oriented organization for financing and promoting Renewable Energy and Energy Efficiency Projects.

2. BOARD OF DIRECTORS

The Board of Directors of SECI provide leadership and strategic guidance, objective judgement independent of management and exercise control over the Company while remaining at all times accountable to the Shareholders.

2.1 Composition of the Board of Directors

The composition of Board of Directors of SECI has an appropriate mix of Executive Directors represented by Functional Directors including MD and Non- Executive Directors represented by Government Nominees. The composition of the Board as on the date of the Report is as follows:

Whole-time Executive (Functional) Directors

1. Dr. Ashvini Kumar, Managing Director (upto 31.07.2017)
2. Shri Jatindra Nath Swain, Managing Director (w.e.f. 01.08.2017)
3. Shri Rakesh Kumar, Director (Power Systems) (upto 30.11.2016)
4. Shri C. Kannan, Director (Finance)
5. Shri Rajeev Bhardwaj, Director (HR)

Part-Time Official Director (Government Nominees)

1. Shri Upendra Tripathy - Government Nominee & Chairman (upto 31.10.2016)
2. Shri. Rajeev Kapoor- Government Nominee & Chairman (27.12.2016 to 22.06.2017)
3. Shri Anand Kumar, Government Nominee & Chairman (w.e.f. 17.07.2017)
4. Shri J.B. Mohapatra, Government Nominee (w.e.f. 14.02.2017)

The Company has been requesting the Administrative Ministry i.e Ministry of New & Renewable Energy for appointment of the requisite no. of part-time Non-Official Directors and Woman Director on the Board of SECI. The same is under consideration of the Administrative Ministry i.e (MNRE).

2.2 Details of Board Meetings held during the Financial Year 2016-17

During the Financial Year 2016-17, Five Board meetings were held as per the details given below:

S. No.	Number of Board Meeting	Date of Board Meeting
1	20 th Board Meeting	28/07/2016
2	21 st Board Meeting	26/09/2016
3	22 nd Board Meeting	05.01.2017
4	23 rd Board Meeting	21.02.2017
5	24 th Board Meeting	20.03.2017

The Board has complete access to all the relevant information within the Company including those prescribed in the DPE Guidelines on Corporate Governance.

2.3 Attendance record of Directors at Board Meetings and Annual General Meeting and number of other Directorships / Committee Memberships/ Chairmanships

Attendance of each Director at the Board Meetings held during the year 2016-17 (i.e. upto 31st March 2017) and the last Annual General Meeting held on 26th September 2016 and number of other Directorships / Committee Memberships / Chairmanships in other companies are given below:

Name of Director & Designation	No. of Board Meetings		Details of Directorship in other companies	Membership in the Committees of other Companies		Attendance at the last AGM (26.09.2016)
	Held during the year (as per tenure)	Attended (as per tenure)		Member	Chairman	
Shri Upendra Tripathy Chairman	2	2	NIL	NIL	NIL	Attended
Shri Rajeev Kapoor Chairman	3	3	NIL	NIL	NIL	Not Applicable
Shri Anand Kumar Chairman	NIL	NIL	NIL	NIL	NIL	Not Applicable
Shri Jatindra Nath Swain Managing Director	NIL	NIL	1	NIL	NIL	Not Applicable
Shri J.B. Mohapatra Govt. Nominee Director	2	2	1	NIL	NIL	Not Applicable
Dr. Ashvini Kumar Managing Director	5	5	2	NIL	NIL	Attended
Shri Rakesh Kumar Director (PS)	2	2	NIL	NIL	NIL	Attended
Shri C. Kannan Director (Finance)	5	5	3	NIL	NIL	Attended
Shri Rajeev Bhardwaj Director (HR)	5	5	NIL	NIL	NIL	Attended

3. Audit Committee

The Board of Directors of Solar Energy Corporation of India Limited in its 7th Meeting held on 26th March, 2013 constituted a Committee of the Board known as "Audit Committee". The present composition of the Audit Committee is as under:

Sl. No.	Name of the Director	Designation
1.	Shri Anand Kumar	Chairman
2.	Shri Jatinder Nath Swain	Member
3.	Shri. J. B. Mohapatra	Member

3.1 Number of Audit Committee Meetings

During the year 2016-17, two Audit Committee Meetings were held as per the details given below: -

S. No.	Number of Meetings of the Audit Committee	Date of Audit Committee Meeting
1	7 th Audit Committee Meeting	28.07.2016
2	8 th Audit Committee Meeting	26.09.2016

3.2 The details of the meeting attended by the Members of the Audit Committee is given below:

Sl. No.	Name of the Director	Designation	No. of meeting held during the tenure	No. of Meeting attended
1.	Shri Upendra Tripathy	Chairman (Upto 31.10.2016)	2	2
2	Shri Rajeev Kapoor	Chairman (21.02.2017 to 22.06.2017)	NIL	NIL
3	Shri Anand Kumar	Chairman (25.07.2017 onward)	NIL	NIL
4	Dr. Ashvini Kumar	Member (21.02.2017 to 31.07.2017)	NIL	NIL
5	Shri Jatindra Nath Swain	Member (01.08.2017 onward)	NIL	NIL
6	Shri J.B.Mohapatra	Member (21.02.2017 onward)	NIL	NIL
7	Shri Tarun Kapoor	Member (upto 17.08.2016)	2	1
8.	Shri. Rakesh Kumar	Member (upto 30.11.2016)	2	2

Director (Finance) is the permanent invitee to the Audit Committee Meeting. Internal Auditors and Statutory Auditors were special invitees in the Audit Committee meetings. The minutes of the Audit Committee were placed before the Board for information.

4. General Body Meetings

The details of last three Annual General Meetings of SECI i.e Date, Time and Location, are given as under:

Financial Year	AGM	Date	Time	Location
2013-14	3 rd	12.09.2014	1230 hrs	Solar Energy Corporation of India, D-3, Wing A, 1st floor, Religare Building, District Centre, Saket, New Delhi – 110 017.
2014-15	4 th	12.08.2015	1630 hrs	Solar Energy Corporation of India, D-3, Wing A, 1st floor, Religare Building, District Centre, Saket, New Delhi – 110 017.
2015-16	5 th	26.09.2016	1445 hrs	In the conference room of Ministry of New and Renewable Energy, CGO Complex, Lodhi Road, New Delhi

5. DISCLOSURES

(i) Related party Transactions

The disclosure on transactions entered with the related parties as required by the Accounting Standards (AS) 18 issued by the Institute of Chartered Accountants of India is mentioned in the Notes to Accounts (Note No. 25.8) of the Financial Statement of the company.

(ii) Remuneration of Directors

The Non-Executive Director had no pecuniary relations or transactions vis-à-vis the company during the year (in their tenure of service). None of the Non-executive Director held any share/convertible instrument of the Company.

(iii) Non-compliances/penalties & stricture imposed on the company

There were no instances of non-compliance by the Company, penalties & stricture imposed on the Company by any Statutory/Regulatory Authorities, or any other matter.

(iv) Accounting Treatment

In preparation of financial statements, the Company has followed the Accounting Standard referred in section 129 of the Companies Act, 2013. The significant Accounting Policies which are constantly applied are set out in the Annexure to notes to the Accounts.

(v) Details of compliances with the requirements of DPE Guidelines on Corporate Governance

All mandatory requirements of the DPE Guidelines on Corporate Governance for CPSEs have been duly complied with by the company except those relating to required number of Independent Directors in Board and Committees.

(vi) Items of expenditure debited in books of accounts, which are not for the purpose of the business: NIL

6. AUDIT QUALIFICATION :

NIL (in the Standalone Financial Statements)

7. TRAINING TO BOARD MEMBERS:

It is need based.

ANNEXURE - E

CERTIFICATE ON CORPORATE GOVERNANCE

To,
The Members,
Solar Energy Corporation of India Limited
D-3, First Floor, A Wing, District Centre,
Saket New Delhi - 110017

I have examined the compliance conditions of Corporate Governance by Solar Energy Corporation of India Limited for the year ended on 31.03.2017 as stipulated in the DPE Guidelines on Corporate Governance for Central Public Sector Enterprises (DPE Guidelines) and in accordance with the provisions of the Companies Act, 2013.

The compliance of conditions of Corporate Governance is the responsibility of the management. My examination was limited to procedures and implementation thereof, adopted by the company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of the opinion on the Financial Statements of the Corporation.

In my opinion and to the best of my information and according to the explanations given to me, I certify that the Company complied with the conditions of Corporate Governance as stipulated in the DPE Guidelines except to the extent mentioned below:

1. As required under section 149 (4) of the Companies Act, 2013 & Para 3.1.4 of the DPE Guidelines on Corporate Governance issued by Ministry of Heavy Industries and Public Enterprises, the company did not have the requisite composition of the Board of Directors, the number of Functional Directors is exceeding 50% of the actual strength of the Board and there is no Independent (non-official) Directors on the Board.
2. The Company has not appointed any Women Director on the Board as required under the provisions of section 149(2) of the Companies Act, 2013.
 I further report that as explained by the management the proposals for appointment of Independent Director(s) and Women Director are under consideration with the Ministry of new and Renewable Energy.
3. In the absence of Independent Director, the Company could not formulate the CSR committee as required under section 135 of the Companies Act, 2013 during the Financial Year 2016-17.
4. Consequent to non-availability of Independent Directors, the constitution of Audit Committee and its functions thereof were not as per DPE Guidelines on Corporate Governance and Companies Act, 2013.
5. The Company has not complied with the provisions of section 173 of the Companies Act, 2013, in respect to holding of meetings of its Board of Directors in such a manner that not more than one hundred and twenty days shall intervene between two consecutive meetings of the Board.

I further state that such compliance is neither an assurance as to the future viability of the company nor the efficiency or effectiveness with which the management has conducted the affairs of the company.

Place : New Delhi
 Date : 19.09.2017

Sd/-
(Ashu Gupta)
Company Secretary in Practice
FCS No. 4123
CP No. 6646

ANNEXURE - F

FORM NO. MGT 9

EXTRACT OF ANNUAL RETURN

As on financial year ended on 31.03.2017

Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management & Administration) Rules, 2014.

I. REGISTRATION & OTHER DETAILS:

1	CIN	U40106DL2011GOI225263
2	Registration Date	20/09/2011
3	Name of the Company	SOLAR ENERGY CORPORATION OF INDIA LIMITED
4	Category/Sub-category of the Company	COMPANY LIMITED BY SHARES GOVERNMENT COMPANY
5	Address of the Registered office & contact details	D-3, FIRST FLOOR, WING A, DISTRICT CENTRE, SAKET, NEW DELHI-110017 Telephone No.-(011) 71989200. Fax: (011) 71989244. Email: corporate@seci.co.in
6	Whether listed company	NO
7	Name, Address & contact details of the Registrar & Transfer Agent, if any.	N/A

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

(All the business activities contributing 10 % or more of the total turnover of the company shall be stated)

S. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	SALE OF SOLAR POWER	35105	88.74

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

SN	Name and address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1	ANDHRA PRADESH SOLAR POWER CORPORATION PRIVATE LIMITED ADDRESS- 6-3-856/A, 3, SAJAD MANZIL COMPOUND, AMEERPET, HYDERABAD-500016	U40300TG2014PTC096549	ASSOCIATE COMPANY (JOINT VENTURE)	50	SECTION 2(6)

SN	Name and address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
2	RENEWABLE POWER CORPORATION OF KERALA LIMITED ADDRESS- C/O KERALA STATE ELECTRICITY BOARD LIMITED VYDYUTHI BHAVANAM, PATTOM THIRUVANANTHA PURAM KL 695004	U40106KL2016PLC039891	ASSOCIATE COMPANY (JOINT VENTURE)	50	SECTION 2(6)
3	REWA ULTRA MEGA SOLAR LIMITED ADDRESS-URJA SHAWAN LINK ROAD NO 2 SHIVAJI NAGAR BHOPAL BHOPAL MP 462003	U40102MP2015PLC034450	ASSOCIATE COMPANY (JOINT VENTURE)	50	SECTION 2(6)
4	LUCKNOW SOLAR POWER DEVELOPMENT CORPORATION LIMITED ADDRESS- UPNEDA BUILDING, VIBHUTIKHAND, GOMTI NAGAR, LUCKNOW 226010	U40300UP2015PLC072134	ASSOCIATE COMPANY (JOINT VENTURE)	50	SECTION 2(6)
5	KARNATAKA SOLAR POWER DEVELOPMENT CORPORATION LIMITED ADDRESS- BEEJ RAJA SEED COMPLEX, 2ND FLOOR, SOUTH SIDE, HEBBAL BENGALURU BANGALORE KA 560024	U40107KA2015PLC079223	ASSOCIATE COMPANY (JOINT VENTURE)	50	SECTION 2(6)
6	HIMACHAL RENEWABLES LIMITED ADDRESS- HIMACHAL PRADESH STATE ELECTRICITY BOARD LTD, VIDYUT BHAWAN, SHIMLA, HP 171004	U40106HP2016PLC006347	ASSOCIATE COMPANY (JOINT VENTURE)	50	SECTION 2(6)

IV. SHARE HOLDING PATTERN

(Equity share capital breakup as percentage of total equity)

(i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year [As on 31-March-2016]				No. of Shares held at the end of the year [As on 31-March-2017]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/ HUF		6	6	0.00		6	6	0.00	-
b) Central Govt	-	20,39,994	20,39,994	100.00	-	30,39,994	30,39,994	100.00	-
c) State Govt(s)									
d) Bodies Corp.									
e) Banks / FI									
f) Any other									
Sub Total (A) (1)	-	20,40,000	20,40,000	100.00	-	30,40,000	30,40,000	100.00	-
(2) Foreign									
a) NRI Individuals									
b) Other Individuals									
c) Bodies Corp.									
d) Any other									
Sub Total (A) (2)									
TOTAL (A)	-	20,40,000	20,40,000	100.00	-	30,40,000	30,40,000	100.00	-
B. Public Shareholding									
1. Institutions									
a) Mutual Funds									
b) Banks / FI									
c) Central Govt									
d) State Govt(s)									
e) Venture Capital Funds									

f) Insurance Companies									
g) FIIs									
h) Foreign Venture Capital Funds									
i) Others (specify)									
Sub-total (B)(1):-									
2. Non-Institutions									
a) Bodies Corp.									
i) Indian									
ii) Overseas									
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh									
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh									
c) Others (specify)									
Non Resident Indians									
Overseas Corporate Bodies									
Foreign Nationals									
Clearing Members									
Trusts									
Foreign Bodies - D R									
Sub-total (B)(2):-									
Total Public (B)									
C. Shares held by Custodian for GDRs & ADRs									
Grand Total (A+B+C)	-	20,40,000	20,40,000	100.00	-	30,40,000	30,40,000	100.00	-

(ii) Shareholding of Promoter

SN	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	PRESIDENT OF INDIA	20,39,994	100.00	0	30,39,994	100.00	0	-
2	SHRI TARUN KAPOOR	1	0.00	0	1	0.00	0	-
3	SHRI RAKESH KUMAR	1	0.00	0	1	0.00	0	-
4	SHRI ASHVINI KUMAR	1	0.00	0	1	0.00	0	-
5	SHRI C.KANNAN	1	0.00	0	1	0.00	0	-
6	SHRI RUCHIN GUPTA	1	0.00	0	1	0.00	0	-
7	SHRI RAJEEV BHARDWAJ	1	0.00	0	1	0.00	0	-
	TOTAL	20,40,000	100.00		30,40,000	100.00		

(iii) Change in Promoters' Shareholding (please specify, if there is no change)

SN	Particulars	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares	No. of shares	% of total shares
	At the beginning of the year			20,39,994	100.00	20,39,994	100.00
	Changes during the year	28/07/2016	Allot	10,00,000		30,39,994	
	At the end of the year			30,39,994		30,39,994	

(iv) Shareholding Pattern of top ten Shareholders

(Other than Directors, Promoters and Holders of GDRs and ADRs):

SN	For each of the Top 10 shareholders	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares	No. of shares	% of total shares
1	Name						
	At the beginning of the year			-	-	-	-
	Changes during the year			-	-	-	-
	At the end of the year			-	-	-	-
2	Name						
	At the beginning of the year			-	-	-	-
	Changes during the year			-	-	-	-
	At the end of the year			-	-	-	-

(v) Shareholding of Directors and Key Managerial Personnel:

SN	Shareholding of each Directors and each Key Managerial Personnel	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares	No. of shares	% of total shares
1	SHRI TARUN KAPOOR						
	At the beginning of the year			1	0.00	1	0.00
	Changes during the year			-	0.00	-	0.00
	At the end of the year			1	0.00	1	0.00
2	SHRI ASHVINI KUMAR						
	At the beginning of the year			1	0.00	1	0.00
	Changes during the year			-	0.00	-	0.00
	At the end of the year			1	0.00	1	0.00
3	SHRI C.KANNAN						
	At the beginning of the year			1	0.00	1	0.00
	Changes during the year			-	0.00	-	0.00
	At the end of the year			1	0.00	1	0.00

SN	Shareholding of each Directors and each Key Managerial Personnel	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares	No. of shares	% of total shares
4	SHRI RAJEEV BHARDWAJ						
	At the beginning of the year			1	0.00	1	0.00
	Changes during the year			-	0.00	-	0.00
	At the end of the year			1	0.00	1	0.00
5	SHRI RAKESH KUMAR						
	At the beginning of the year			1	0.00	1	0.00
	Changes during the year			-	0.00	-	0.00
	At the end of the year			1	0.00	1	0.00

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment.

(Amt. in Rs.)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	24,63,20,000.00	-	-	24,63,20,000.00
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	24,63,20,000.00	-	-	24,63,20,000.00
Change in Indebtedness during the financial year				
* Addition	1,50,00,000.00	-	-	1,50,00,000.00
* Reduction	26,13,20,000.00	-	-	26,13,20,000.00
Net Change	(24,63,20,000.00)	-	-	(24,63,20,000.00)
Indebtedness at the end of the financial year				
i) Principal Amount	NIL		-	NIL
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	NIL	-	-	NIL

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

SN.	Particulars of Remuneration Name	Name of MD/WTD/ Manager				Total Amount (Rs)
		ASHVINI KUMAR	RAKESH KUMAR	C.KANNAN	RAJEEV BHARDWAJ	
	Designation	MANAGING DIRECTOR	DIRECTOR (POWER SYSTEM)	DIRECTOR (FINANCE)	DIRECTOR (HUMAN RESOURCES)	
1	Gross salary					
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	28,35,539.00	13,65,067.00	28,75,376.00	31,92,242.00	1,02,68,224.00
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	4,18,544.00	4,23,162.00	4,05,684.00	5,12,301.00	17,59,691.00
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961					-
2	Stock Option					-
3	Sweat Equity					-
4	Commission					-
	- as % of profit					-
	- others, specify					-
5	Others, please specify					-
	Total (A)	32,54,083.00	17,88,229.00	32,81,060.00	37,04,543.00	1,20,27,915.00
	Ceiling as per the Act					

B. Remuneration to Other Directors

SN.	Particulars of Remuneration	Name of Directors	Total Amount (Rs)
1	Independent Directors	-	-
	Fee for attending board committee meetings	-	-
	Commission	-	-
	Others, please specify	-	-
	Total (1)	-	-
2	Other Non-Executive Directors	-	-
	Fee for attending board committee meetings	-	-
	Commission	-	-
	Others, please specify	-	-
	Total (2)	-	-
	Total (B)=(1+2)	-	-
	Total Managerial Remuneration	-	-
	Overall Ceiling as per the Act	-	-

C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD

SN.	Particulars of Remuneration	Name of Key Managerial Personnel		Total Amount (Rs)
	Name	S.K GUPTA	SUNIL KUMAR MEHLAWAT	
	Designation	COMPANY SECRETARY	COMPANY SECRETARY	
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	14,52,429.00	2,69,571.00	17,22,000.00
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	2,71,128.00	31,563.00	3,02,691.00
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961			-
2	Stock Option			-
3	Sweat Equity			-
4	Commission			
	- as % of profit			-
	- others, specify			-
5	Others, please specify			-
	Total	17,23,557.00	3,01,134.00	20,24,691.00

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
A. COMPANY					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
B. DIRECTORS					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
C. OTHER OFFICERS IN DEFAULT					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-

ANNEXURE - G**Form No. MR-3****SECRETARIAL AUDIT REPORT****FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2017****[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]**

To,

The Members,
SOLAR ENERGY CORPORATION OF INDIA LIMITED
D-3, First Floor, A Wing, District Centre,
Saket, New Delhi - 110017

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Solar Energy Corporation of India Limited (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, I hereby report that in my opinion, the Company has during the audit period covering the Financial Year ended on 31st March, 2017 ('Audit Period'), complied with the statutory provisions listed here-under and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2017 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under; (Not Applicable to the Company during the audit period)
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under; (Not Applicable to the Company during the audit period)
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):- (Not Applicable to the Company during the audit period)
 - (a) SEBI (Listing Obligations & Disclosure Requirement) Regulations, 2015.
 - (b) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

- (c) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 & 2015;
 - (d) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - (e) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
 - (f) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - (g) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - (h) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
 - (i) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998.
- (vi) Other Laws applicable specifically to the Company, namely:
- (a) Payment of Bonus Act, 1965;
 - (b) Payment of Gratuity Act, 1972;
 - (c) Employees Provident Fund and Miscellaneous Provisions Act, 1952;
 - (d) Apprentices Act, 1961;
 - (e) Maternity Benefit Act, 1961
 - (f) Indian Stamp Act, 1899

I have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards (SS-1 & SS-2) issued by The Institute of Company Secretaries of India with respect to Board, Committee(s) and General Meeting(s).
- (ii) The Listing Agreements entered into by the Company read with the SEBI (Listing Obligations & Disclosure Requirement) Regulations, 2015 (Not Applicable to the Company during the audit period)

During the period under review and based on the information, explanations and management representation, the Company has substantially complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to the following observations:

1. As required under section 149 (4) of the Companies Act, 2013 & Para 3.1.4 of the DPE Guidelines on Corporate Governance issued by Ministry of Heavy Industries and Public Enterprises, the company did not have the requisite composition of the Board of Directors, the number of Functional Directors is exceeding 50% of the actual strength of the Board & there is no Independent (non-official) Directors on the Board.
2. The company has not appointed any Women Director on the Board as required under the provisions of section 149 (2) of the Companies Act, 2013.

3. In the absence of independent director the Company could not formulate the CSR committee as required under section 135 of the Companies Act, 2013 during the financial year 2016-17.
4. Consequent to non-availability of Independent Directors, the constitution of Audit Committee and its functions thereof were not as required under DPE Guidelines on Corporate Governance and Companies Act, 2013.
5. The Company has not complied with the provisions of section 173 of the Companies Act, 2013, in respect to holding of meetings of its Board of Directors in such a manner that not more than one hundred and twenty days shall intervene between two consecutive meetings of the Board.

I, further report that the Corporation is a Government Company under the administrative control of the Ministry of New and Renewable Energy, Govt. of India. All the Directors are nominated/ appointed by the Govt. of India. As explained, during audit, the proposals for appointment of Independent Director(s) and Women Director are under consideration with the Ministry of New and Renewable Energy.

The changes in the composition of the Board of Directors that took place during the period under review, were carried out in compliance with the provisions of the Act.

Notice is given to all directors to schedule the Board Meetings in advance, agenda and detailed notes on agenda were sent in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decisions are carried through majority and dissent raised by the members of the Board were recorded.

Based on the compliance mechanism established by the company we are of the opinion that the management has adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that during the audit period, the Company has no specific event/ actions having a major bearing on the company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. referred to above except mentioned below:

- a) The company had issued 10,00,000 equity shares of Rs 1000/- each in favour of President of India on Right issue basis.

Place: New Delhi
Date: 19.09.2017

Sd/-
(Ashu Gupta)
Company Secretary in Practice
FCS No. 4123
CP No.: 6646

Note: This Report is to be read with our letter of even date which is annexed as Annexure A and forms integral part of this Report.

To,

**The Members,
Solar Energy Corporation OF India Limited
D-3, First Floor, A Wing, District Centre,
Saket, New Delhi - 110017**

My Report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices, I followed provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Wherever required, I have obtained the management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of the management. My examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the company nor of the efficiency or effectiveness with which the management has conducted the affairs of the company.

**Place: New Delhi
Date: 19.09.2017**

**Sd/-
(Ashu Gupta)
Company Secretary in Practice
FCS No. 4123
CP No.: 6646**

Management Discussion and Analysis Report

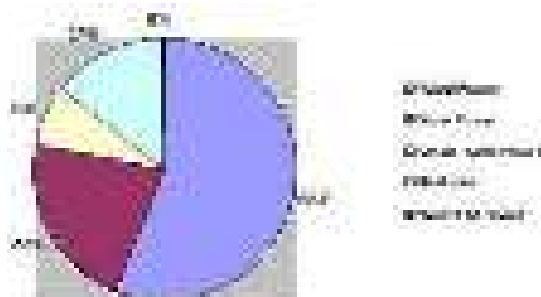
1. Industry structure and development

The renewable energy (RE) sector comprises of about 17.5 percentage of India's total installed power production capacity, and is the second largest component on classification by fuel source (next only to coal based power plants, and more than hydro and nuclear power combined). Wind and solar power make up the bulk of RE capacities (77.8 percent).

The Government of India has set an ambitious target for RE capacity additions- of 175 gigawatt (GW) by the year 2022, out of which 100 GW is from solar and 60 GW from wind power.

Presently, the installed capacity of RE power projects in India is about 57.5 GW, out of which 32 GW is from wind and 12 GW is from solar energy.

Chart: Share of different RE sources in the overall RE power generation capacity (MW)



Source: MNRE (April, 2017)

The installed capacity in RE sector is predominantly under the private sector investment, with a large number of players operating in each segment. The solar power sector has been accustomed to a tariff-based competitive selection processes, whereas the same in wind power is relatively new. Competition among the project developers for acquiring projects through auctions in both these segments is intense, and there is no dearth of private funds flowing into the sector from domestic and international investors alike. In fact, the wind and solar power sectors have been considered to be the most lucrative areas of investment in India.

The tariff of both wind and solar power projects have almost reached grid parity, and the day is not far when these would be the de-facto choice of power generation for all new capacities coming up in the country.

The primary role of the Government, in these market conditions, is that of a catalyst to stimulate the sector's development by attracting more private investments. The Government has promoted this very well through a slew of schemes- both at national and state levels, incentives and benefits in the form of viability gap funding, innovative power sale options, accelerated depreciation benefits, exemption from transmission charges, infrastructural development support etc.

India is self-reliant in respect of manufacturing capacity of wind turbines, however, for solar power, it is heavily dependent on imports, especially from China. As per market data, only 6.6 GW of module manufacturing capacity and 1.5 GW of cell manufacturing capacity is operational in India (as of March, 2017). Indian manufacturers are at a price disadvantage in comparison to international players. As the prominence of solar power increases in the Indian landscape, this is an area that may need strategic alignment in the interest of energy security.

2. SWOT Analysis

The solar sector in India is going through a whirlwind journey and SECI is a key player to the entire changing landscape. The speed at which the developments are happening in the sector both present an opportunity and risk to SECI. Risk is in terms of not earning of pre-determined stable cash flows from scheme implementation, as it is expected that schemes would be phased out gradually as solar power becomes commercially viable on standalone basis. But this also presents an opportunity to SECI to enter and explore new revenue streams and enhance its role and position in the market from being a nodal agency for schemes to taking up a leading role as a project developer itself. Though it will come with its own set of challenges, but considering SECI's experience and strong connect with the government, its reputation in the solar sector and access to cheap funds, SECI can reinvent itself to take advantage of changes in the sector.

Strengths

The major strength of SECI comes with its in-house technical expertise in handling affairs of non-conventional energy. It has recently forayed in the trading of wind and SECI also has excellent working relationship with government utilities and agencies leveraging from its existing scheme handling business.

The main strength of SECI is its ability to leverage its relationship with the Ministry of New and Renewable Energy (MNRE) for implementation of the schemes of the Government of India. Due to its pivotal role in scheme implementation, it has the support of all Central and State Government agencies, for speedier project implementation.

The other main strength of SECI is its position as the only public sector unit (PSU) under MNRE engaged in management of solar projects. This is an advantage for building the project pipeline for Project Management Consultancy (PMC) assignments in the Government and allied segments, niche areas etc. This segment, while being comparatively free from competition, also allows SECI to be associated with high profile projects of strategic significance to the country. This also offers a unique position for the company to demonstrate innovative technologies and bring them to the level of commercialization.

Over the years SECI has also built a decent balance sheet with the continued equity contribution from the Government of India. SECI has a AA+ credit rating from ICRA, with a positive outlook which helps SECI to raise the resources if need arises to build large scale projects.

Weaknesses

On the contrary SECI faces a challenge owing to its relatively low experience and exposure in developing renewable energy solutions since the risks associated with them are upfront. Being a PSU with relatively short history, having been formed in 2011, the systems and processes of SECI have recently evolved and are yet to be tested in time.

Shortage of project execution and technical manpower in view of the massive thrust on the sector is also a constraint for SECI in taking up additional projects.

Dearth of regional presence of SECI is also proving to be a constraint as the company is looking to massively expand its operations in India and abroad.

Opportunities

The RE sector in India has made considerable progress in the last 5 years and has evolved from a nascent industry to a developing market led by policy reforms and increased private sector participation. The government's 175 GW RE target offers a slew of opportunities in the Indian RE sector. Apart from the ground

mounted solar projects and solar parks, there is a huge potential in the rooftop solar and off grid solar segments that can be tapped by SECI.

Threats

The steep price decline in the solar and wind market resulting from aggressive pricing by private developers, while being a boon for the overall sectoral growth, is a threat to SECI's scheme handling business, since the necessity of government support may lose relevance as solar power attains grid parity.

The abundance of solar power in the market is also a threat for SECI's PMC and project development lines of business, in terms of the buyer's bargaining power in signing of power purchase agreements (PPAs).

Constraints of land availability and grid stability issues are some other threats to the expansion of the solar power sector in general.

Conclusion

Meanwhile the gap between the achievable and the current status covers a number of possibilities and opportunities for growth. There is a strong growth opportunity in decentralised solar power generation and in the other RE segments, in addition to leveraging the first mover's advantage in solar power technologies as well.

3. Segment-wise or product-wise performance and outlook

SECI has played a vital role in catalysing the solar energy sector (and the wind power sector recently) for rapid capacity additions in an efficient and effective mode. SECI aims to facilitate market development in the RE sector by providing stimuli for channelling private sector investments through discovery of competitive tariff, sound payment track record, setting performance and quality benchmarks and leading the road for technological advancements in RE.

Presently, SECI is fulfilling its goals by operating in five major segments- (a) scheme implementation, (b) project management consultancy, (c) own projects development, (d) power trading, and (e) R&D projects. The segment-wise outlook is given below:

Scheme implementation

SECI is implementing various government schemes such as the VGF schemes, solar parks scheme, rooftop scheme and a number of other special schemes in the solar energy sector. Moreover, in the financial year under consideration, SECI has ventured into the domain of wind power trading as well. This has been the first time that wind power is being procured on competitive basis, and market response has been phenomenal.

The highlights of scheme implementation have been the plummeting cost/tariff discoveries in solar as well as wind power, and the launch of the single largest tender of 500 MW capacity for rooftop solar.

Going forward, however, as RE power gains a larger share in India's power generation mix and attains grid-parity, the relevance and delivery mechanisms of schemes would need a relook. While newer technologies and newer vistas such as smart cities, urban transport, smart grids etc. would gain prominence, SECI would need to adapt this business segment accordingly.

Project management consultancy

SECI has executed many solar projects through PMC mode. Notably, 50 megawatt (MW) project for IREDA, 4 MW at Mangalore Port project, 15 MW project for Bharat Electronics Limited have been commissioned to the satisfaction of clients.

However, going forward, the company would need to consolidate its position as technology leader and focus on speedy and efficient implementation strategies to expand and sustain this business segment.

Own projects' development

The company's 10 MW capex project at Rajasthan has performed satisfactorily in the year, registering 21.61 percent annual CUF (on AC basis). A 1 MW rooftop project in Andaman & Nicobar has also been completed. Several other projects, including some with innovative technologies, are under feasibility studies.

This segment is crucial to the long term sustenance and growth of SECI. Here also, SECI's hold as technology leader and first mover in new technologies and areas would enable it to stand apart from other market players and give the company a strong foothold.

R & D

The company places utmost importance to the advancement of technologies in RE segment. A calibration laboratory for SRRA instruments is operational. A 2.5 MW solar-wind-battery hybrid project in Himachal Pradesh has been under implementation in the year under consideration.

Though this is a segment with a larger gestation period, the yields are also generally higher. This segment can enable SECI diversify into upstream segments and give the company the technology leadership and associated learning curve advantage.

4. Risk Mitigation strategies

As discussed in the previous section also, there are business risks associated with SECI's commercial activities, viz. the falling price market, performance risk, credit risks of Discoms, land and grid related issues etc.

However, the company takes cognizance of these risks and strives to negate its effects through systemic risk mitigation strategies. Diversification from the scheme handling business to project development and consultancy areas, and from solar energy to wind power domain, has been a testimony to that.

SECI is moving towards newer technologies, niche areas and strategic projects to create a niche for itself in the intensely competitive and private-sector dominated market. Creation of a strong technical and project execution team is highly valued by the company for ensuring timely, effective and quality project delivery.

Several methods to offset payment risk by offtakes are also employed. The company has been approved to be covered under the Tri-partite agreement of the Government of India, State governments and the Reserve bank of India for offsetting payment defaults by discoms. Besides, SECI is keen on captive development projects, bulk consumer offtake options etc.

The company's growing priority on decentralised and rooftop systems and association with smart cities programme is also a step in this regard.

5. Internal control systems and their adequacy

To ensure regulatory and statutory compliances as well as to provide highest level of corporate governance the company is building robust internal systems and processes for smooth and efficient conduct of Business. Preparation of standard bid documents, financial concurrence in the decision-making process and standard operating procedures make the project-implementation process effective. Standardization of technical specifications, including detailed specification and quality plans ensure quality across projects.

SOLAR ENERGY CORPORATION OF INDIA LIMITED
 (Formerly known as Solar Energy Corporation of India)
BALANCE SHEET AS AT 31ST MARCH 2017

(Amount in Rs.)

Particulars	Note No.	As at 31.03.2017	As at 31.03.2016
I EQUITY AND LIABILITIES			
(1) Shareholders' Funds			
(a) Share Capital	2	3,04,00,00,000	2,04,00,00,000
(b) Reserves and Surplus	3	63,68,53,833	17,14,69,726
		3,67,68,53,833	2,21,14,69,726
(2) Share Application Money Pending Allotment			-
(3) Non-Current Liabilities			
(a) Long Term Borrowings	4	-	24,63,20,000
(b) Deferred Tax Liabilities (Net)		3,69,53,440	4,78,52,249
(c) Other Long term liabilities	5	76,42,378	6,40,28,769
(d) Long term provisions	6	2,01,85,765	1,39,16,670
		6,47,81,583	37,21,17,688
(4) Current Liabilities			
(a) Trade Payables	7	1,09,94,37,315	1,17,46,11,492
(b) Other current liabilities	8	10,37,06,26,124	4,27,38,62,021
(c) Short-term provisions	9	31,29,93,118	12,78,78,114
		11,78,30,56,557	5,57,63,51,627
TOTAL		15,52,46,91,973	8,15,99,39,041
II ASSETS			
(1) Non-current assets			
(a) Fixed assets			
(i) Tangible assets	10	60,00,42,783	61,41,16,478
(ii) Intangible assets	10	45,09,785	29,64,497
(ii) Capital work-in-progress	11	1,00,000	5,61,800
(b) Non-current Investments	12	2,80,00,000	2,55,00,000
(c) Deferred Tax Assets (Net)			
(d) Long term loans and advances	13	1,70,62,87,442	99,09,32,939
(e) Other non current assets	14	-	-
		2,33,89,40,010	1,63,40,75,714
(2) Current assets			
(a) Trade receivables	15	1,02,03,91,827	1,34,36,26,825
(b) Cash and Bank Balances	16	10,87,95,89,662	3,80,95,89,188
(c) Short-term loans and advances	17	26,68,62,881	13,32,89,079
(d) Other current assets	18	1,01,89,07,593	1,23,93,58,235
		13,18,57,51,963	6,52,58,63,327
TOTAL		15,52,46,91,973	8,15,99,39,041
Significant Accounting Policies	1		
Notes to Accounts	2 - 25		

The Notes form an Integral Part of the Standalone Financial Statements

For and on Behalf of the Board of Directors

Sd/-
 (Sunil Kumar)
 Company Secretary
 Membership No. 17693

Sd/-
 (C Kannan)
 Director Finance
 DIN 06458185

Sd/-
 (Dr Ashvini Kumar)
 Managing Director
 DIN 03547234

In Terms of our Audit Report of Even Date

For RSPH & Associates
 Chartered Accountants
 FR No. 003013N

Place : New Delhi
 Date : 25.07.2017

Sd/-
 (CA Tarun Kumar Batra)
 Partner
 Membership No. 094318

SOLAR ENERGY CORPORATION OF INDIA LIMITED
(Formerly known as Solar Energy Corporation of India)
STATEMENT OF PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2017

(Amount in Rs.)

	Particulars	Note No.	Year Ended 31.03.2017	Year Ended 31.03.2016
I	Revenue from operations	19	7,85,35,81,094	5,73,90,27,485
II	Other income	20	12,79,90,621	52,197,373
III	Total Revenue (I + II)		7,98,15,71,715	5,79,12,24,858
IV	Expenses			
	Purchase of Solar Power		6,77,37,94,423	5,24,74,92,331
	Employee benefits expense	21	12,52,85,968	7,66,99,409
	Finance Costs	22	1,44,45,024	62,761
	Depreciation and amortization expense	10	4,07,13,877	43,88,216
	Subcontracting Expenses		62,81,500	31,09,571
	Other expenses	23	22,57,10,063	13,10,64,207
	Prior Period Items (Net)	24	24,99,288	37,23,109
	Total Expenses		7,18,87,30,143	5,46,65,39,604
V	Profit before Exceptional and Extraordinary Items and Tax (III - IV)		79,28,41,572	32,46,85,254
VI	Exceptional items (See Note no-25.19)		6,49,32,500	-
VII	Profit before Extraordinary Items and Tax (V - VI)		72,79,09,072	32,46,85,254
VIII	Extraordinary Items			-
IX	Profit before tax (VII - VIII)		72,79,09,072	32,46,85,254
X	Tax expense			
	(1) Current tax		27,24,80,070	8,58,18,565
	(2) Deferred tax		(1,08,98,809)	4,78,52,249
	(3) Earlier Years/Short & Excess Provisions of Income Tax		9,52,182	-
XI	Profit for the period (IX - X)		46,53,75,629	19,10,14,440
XII	Earnings per equity share:			
	(1) Basic		171.30	147.03
	(2) Diluted		171.30	147.03
	Significant Accounting Policies	1		
	Notes to Accounts	2 - 25		

The Notes form an Integral Part of the Standalone Financial Statements

For and on Behalf of the Board of Directors

Sd/-
(Sunil Kumar)
Company Secretary
Membership No. 17693

Sd/-
(C Kannan)
Director Finance
DIN 06458185

Sd/-
(Dr Ashvini Kumar)
Managing Director
DIN 03547234

In Terms of our Audit Report of Even Date

For RSPH & Associates
Chartered Accountants
FR No. 003013N

Place : New Delhi
Date : 25.07.2017

Sd/-
(CA Tarun Kumar Batra)
Partner
Membership No. 094318

SOLAR ENERGY CORPORATION OF INDIA LIMITED
 (Formerly known as Solar Energy Corporation of India)
CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2017

(Amount in Rs.)

Particulars	Year Ended 31.03.2017	Year Ended 31.03.2016
Cash Flow from Operating Activities		
Net Profit Before Tax	72,79,09,072	32,46,85,254
Adjustments For:		
Add		
Depreciation and Amortisation	4,07,13,877	43,88,216
Prior Period Depreciation	1,12,228	
Loss on sale of asset	34,579	28,231
Expenses W/o	5,61,800	
Interest Expense	1,44,45,024	62,761
Provision for Doubtful Debts	7,98,000	
Less		
Interest received	12,71,21,976	5,01,59,210
Profit on sale of asset	-	6,635
Operating Profit before Working Capital Changes	65,74,52,604	27,89,98,617
Changes in Working Capital		
Adjustments for operating assets:		
(Increase)/Decrease in Trade Receivables	32,32,34,998	(1,24,32,71,421)
(Increase)/Decrease in Short Term Loans and Advances	3,61,26,198	(3,43,67,435)
(Increase)/Decrease in other Current Assets	22,04,50,642	(1,12,16,79,959)
Increase/(Decrease) in Trade Payable	(7,51,74,177)	1,15,13,84,915
Increase/(Decrease) in other Current Liabilities	6,09,67,64,103	2,72,84,71,242
Increase/(Decrease) in Short Term Provisions	(8,81,54,588)	1,74,53,183
Increase/(Decrease) in Long Term Provisions	62,69,095	(6,21,260)
Cash Inflow/Outflow from operations before Tax	7,17,69,68,875	1,77,63,67,882
Less: Advance Tax, Earlier Year Tax	17,06,52,182	8,72,89,226
Net cash Flow From Operating Activities	7,00,63,16,693	1,68,90,78,656
Cash Flow From Investing Activities		
Add		
Interest Income	12,71,21,976	5,01,59,210
Proceeds from sale of fixed assets	1,40,970	16,985
(Increase)/Decrease in Long Term Loans and Advances	9,16,05,634	1,28,50,226
Increase/(Decrease) in Other Long Term Liabilities	(5,63,86,391)	77,25,128
Less		
Purchase and Advance of Fixed Assets	2,84,73,247	55,01,03,631
Advance Payment for Kidwai Nagar Building	80,69,60,137	25,38,02,162
Equity Investment in Joint Venture	25,00,000	2,50,00,000
Investment in Capital WIP	100,000	-
Net Cash Flow from Investing Activities	(67,55,51,195)	(75,81,54,244)

Cash Flow From Financing Activities		
Less		
Interest Expense	1,44,45,024	2,52,328
Add		
Proceeds from Issue of Equity Share Capital	1,00,00,00,000	92,00,00,000
Increase /(Decrease) in Long Term Liabilities	(24,63,20,000)	24,63,20,000
Net Cash Flow from Financing Activities	73,92,34,976	1,16,60,67,672
Net (Decrease)/ Increase in cash and cash equivalents (A)	7,07,00,00,474	2,09,69,92,084
Cash and cash equivalents in the beginning of the year (B)	3,80,95,89,188	1,71,25,97,104
Cash and cash equivalents at the end of the year (A+B)	10,87,95,89,662	3,80,95,89,188
Significant Accounting Policies	1	
Notes to Accounts	2 - 25	

The Notes form an Integral Part of the Standalone Financial Statements

For and on Behalf of the Board of Directors

Sd/-
(Sunil Kumar)
Company Secretary
Membership No. 17693

Sd/-
(C Kannan)
Director Finance
DIN 06458185

Sd/-
(Dr Ashvini Kumar)
Managing Director
DIN 03547234

In Terms of our Audit Report of Even Date

For RSPH & Associates
Chartered Accountants
FR No. 003013N

Place : New Delhi
Date : 25.07.2017

Sd/-
(CA Tarun Kumar Batra)
Partner
Membership No. 094318

Notes to the Standalone Financial Statements for the Year ended 31st March, 2017

1. Significant Accounting Policies

1.1 Basis of preparation of Accounts:

These financial statements have been prepared on accrual basis of accounting under historical cost convention to comply in all material aspects with generally accepted accounting principles in India, the provisions of the Companies Act, 2013 (to the extent notified and applicable), and the applicable Accounting Standards prescribed under Section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 to the extent applicable.

The accounting policies have been consistently applied by the Company. Certain accounting policies have been reworded/re-classified for the purpose of better disclosure which has no impact on profits of the Company and wherever there is an impact on Profit & Loss during the year, the same has been suitably disclosed.

1.2 Use of estimates:

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent liabilities on the date of the financial statements and the results of operations during the reporting period. Although these estimates are based upon the management's best knowledge of current events and actions, actual results could differ from these estimates. Differences between actual results and estimates are recognized prospectively in the period(s) in which they materialize.

1.3 Fixed Assets:

- 1.3.1 Tangible Assets are stated at historical cost less accumulated depreciation and impairment losses, if any.
- 1.3.2 Cost of acquisition is inclusive of purchase price, import duties and other non-refundable taxes or levies and any other directly attributable costs, interest during construction, duties, freight, installation and allocated incidental expenditure during construction/acquisition attributable to bringing the assets to their working condition for their intended use.
- 1.3.3 Intangible assets are stated at their cost of acquisition less accumulated amortization and impairment losses, if any.
- 1.3.4 In case of assets where final settlement of bills with contractors is yet to be effected but the asset is complete and ready to use, capitalization is done on provisional basis subject to necessary adjustments in the year of the final settlement.

1.4 Capital Work in progress

- 1.4.1 Capital work-in-progress is carried at cost. Cost of material consumed, erection charges thereon along with other related expenses incurred for the project are shown as Capital work-in-progress till the date of capitalization.

- 1.4.2 Expenditure of corporate office and other administrative and general overheads, attributable to construction of fixed assets are identified and allocated on a systematic basis to the cost of the related assets.

1.5 Depreciation and Amortization

- 1.5.1 Depreciation on tangible assets of Power generating Units of the Company is charged to the Statement of Profit & Loss on straight-line method following the rates and methodology as notified by CERC for the fixation of tariff.
- 1.5.2 Leasehold Land is amortized over the period of lease on a straight-line basis.
- 1.5.3 Depreciation on assets other than the assets specified in Policy No. 1.5.1 and 1.5.2 is provided on straight line method following the useful life specified in the Schedule II of Companies Act, 2013.
- 1.5.4 Depreciation is computed on Intangible Assets on straight line basis over a period of 5 years in accordance with Accounting Standard 26 on Intangible Assets.
- 1.5.5 Depreciation/amortization is provided on pro rata basis from/up to the date on which the asset becomes available to use/is disposed off.
- 1.5.6 Depreciation on assets declared surplus/ obsolete is provided till the end of the month in which such declaration is made.
- 1.5.7 Assets costing Rs 5,000 or less are fully depreciated in the year of acquisition on account of materiality.

1.6 Investments

- 1.6.1 Long term Investments are carried at cost. Provision for diminution is made to recognize a decline, other than temporary, in the value of such investments.
- 1.6.2 Current investments are valued at lower of cost and fair value determined on an individual investment basis.

1.7 Borrowing Costs

Borrowing Costs that are attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. All other borrowing costs are recognized as an expense in the period in which they are incurred.

1.8 Inventories

Inventories are valued at lower of cost and estimated net realizable value.

1.9 Revenue and Expenditure Recognition

Revenue and expenses are accounted on the basis of accrual method of accounting except for certain incomes and expenses which are accounted on receipt/payment basis as stated in 1.9.1, 1.9.5 & 1.9.9 disclosed below.

1.9.1 Purchase and Sale of Solar Power

Revenue from sale of power is recognized on the basis of terms and conditions of Power Sale Agreements (PSA) with the State Buying Utilities and as per rates agreed with the customers. The Units (KWh) are recognized on the basis of Joint Meter Reading / State Energy Accounting (JMR)/(SEA) in case of Intra State power sale and Regional Energy Accounting (REA) in the case of Inter State transaction for raising of invoices to DISCOMS / Buying Utilities.

Purchase of energy is accounted for on the basis of Joint Meter Reading /State Energy Accounting/Regional Energy Accounting (JMR/SEA/REA) as per the terms of Power Purchase Agreements (PPA) executed with Solar Power Developers (SPDs).

Purchase and Sales transaction are reconciled at regular intervals in order to reconcile with the units traded.

As per terms of PSAs, the surcharge on late payment leviable on DISCOMS for sale of energy is recognized on receipt basis and similarly as per terms of PPAs, the surcharge on late payment is accounted on the basis of recovery from the DISCOMS.

Any charges levied by Regional Load Dispatch Centre(RLDC)/ State Load Dispatch Centre(SLDC) /Central Transmission Utility (CTU)/ State Transmission Utility (STU) which have been received from respective agency during the year has been recovered/passed on to SPD's/DISCOM as applicable as per terms of PPAs / PSAs and such charges are being accounted for on receipt/ payment basis except Transmission Charges.

1.9.2 In accordance with the Government Guidelines regarding 5000 MW Grid-Connected Solar PV Power Projects with VGF under Batch-IV of Phase-II of National Solar Mission (NSM) vide No. 32/3/2014-15/GSP dated 14.03.2016, the Payment Security Fund (PSF) has been set up in order to ensure timely payment to the developers. PSF will gradually enhanced to cover three VGF schemes i.e. 750 MW, 2000 MW & 5000 MW. The money received from encashment of BGs, interest earned on this fund, incentives for early payment and the grants from Government/National Clean Energy Fund (NCEF) will be used to build this fund. Any charges incurred by SECI on account of litigation related to implementation of the scheme shall be charged to this account. The expenses on account of short term open access charges, UI charges, fund requirement for furnishing security deposits in the form of Bank Guarantee/LCs to STUs in accordance with BPTA or associated charges etc. may be utilised from PSF. The Guidelines for utilization of the Fund are as follows:

PSF will be utilized for the following purposes.

- To make timely payment to Solar Project Developers in case of delay in realizing the payment from the buying utilities.
- For providing security in the form of Letter of Credit/Bank Guarantee for the purpose of obtaining long term open access, transmission charges etc. not envisaged at the of signing of PSA/PPA and applicable charges as per Bulk Power Transmission Agreement (BPTA) signed with CTU/STU in line with the applicable regulations.
- To make the differential payment to the developers from the agreed PPA rate in case of short recovery of tariff from the buying utilities based on average pool pricing due to policy/regulatory issues and transmission evacuation/open access constraints etc.

- d. To make the payment on account of short term open access charges, Deviation Settlement Mechanism (DSM) charges, as per applicable regulations.
- e. Any charges on account of litigations and arbitration awards, etc. related to implementation of the scheme including issues arising out of operational difficulties of PPA/PSA/VGF Securitization.

As per terms of PPA signed with various SPDs there are some cases in which tariff payable has been reduced below Rs 5.45/kWh. Any amount of reduction in purchase of solar power due to reduction in tariff is being directly credited to the PSF.

In case of short recovery of tariff from the buying utilities/DISCOMs based on average pool pricing due to policy/regulatory issues and transmission-evacuation/open access constraints etc., the differential payment to the developers from the agreed PPA rate is debited to PSF directly.

- 1.9.3 Any difference arising in units of sales and purchase of Power due to State Energy Accounting (SEA)/ Regional Energy Accounting (REA)/ Joint Meter Reading (JMR) is properly dealt with in the accounts. In case of excess of sold units over purchased units, the difference is credited to PSF. In case of excess of purchased units over bills raised to DISCOMs, the same is recovered from the SPDs.

Any excess amount recovered from SPD/DISCOM due to difference of basis of Invoice raised by/to SPD/DISCOM and amount paid to RLDC/SLDC/CTU/STU, has been Credited to PSF.

- 1.9.4 Revenue from consultancy services is recognized proportionately with the degree of completion of services in line with the terms of respective consultancy contracts. In respect of cases where ultimate collection with reasonable certainty is lacking at the time of claim, recognition is postponed till collection is made.

- 1.9.5 Revenue recognition in case of Grid-connected Rooftop Projects

MNRE provides 3% of Central Financial Assistance (CFA) in respect of Rooftop Projects towards Publicity, Orientation, Awareness Programme, Workshops, Field Visits, Monitoring and Technical guidance etc.

Revenue from Project monitoring and Technical Guidance in respect of Rooftop Projects – Grid/Off Grid is recognized for on the basis of the following mentioned progress stages of projects:

Stage	% of Allocation	Cumulative % of Allocation
Allocation	1.50%	1.50%
Sanction	0.25%	1.75%
Commissioning	0.25%	2.00%
Operation & Maintenance - I Year	0.50%	2.50%
Operation & Maintenance - II Year	0.50%	3.00%
	3.00%	

The actual expenditure incurred towards Publicity, Orientation, Awareness Programme, Workshops and Field visits is deducted from the revenue recognized above and the net income is disclosed. In case the expenditure incurred are in excess during the year as compared to revenue recognized in line with the policy, the same is adjusted out of the revenue recognized, in the subsequent year.

The service charges received/receivable from the developer under Rooftop Projects in respect of the above are being recognized as income in the year in which the project capacity is sanctioned. The interest charges on the late payment of service charges, Liquidated damages & Forfeiture of PBG are accounted on receipt basis.

1.9.6 Fund handling charges under various MNRE Schemes are recognized as income in proportion to funds disbursed as per sanction letter issued by MNRE.

1.9.7 The Success fee @0.2% of estimated capital cost in respect of the solar power project under 2000 MW & 5000 MW State specific Scheme is being charged from the Solar Power Developers. 90% of 0.2% is recognized as income at the time of issuance of LOI based on the completion of various activities/services rendered as per technical estimates and balance 10% of 0.2% is recognized at the time of commissioning of Solar Power Projects

1.9.8 Revenue recognition under Construction Contracts

Contract Revenue represents the cost of work performed on the contract plus proportionate margin using the percentage of completion method. Percentage of completion is determined as a proportion of cost of work performed to date to the total estimated contract costs.

Project and construction related work in progress is reflected at cost till such time the outcome of the job cannot be ascertained reliably and at realizable value thereafter.

In case of contracts where the contract costs exceed the contract revenues, the anticipated loss is recognized immediately.

1.9.9 Escalation and extra works not provided for in the contract with client, claims arising out of arbitration awards and insurance claims are accounted for on receipt basis.

1.9.10 Liquidated damages arising from contractual obligations in respect of contracts under dispute/negotiation and not considered payable/receivable are not accounted for till final settlement.

1.10 Taxes on Income

1.10.1 Provision for Current Income Tax is determined on the basis of taxable income in accordance with the provisions of the Income Tax Act, 1961.

1.10.2 Deferred tax is recognized, subject to the consideration of prudence, on timing differences, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods, and is quantified using the tax rates and laws enacted or substantively enacted as on the Balance Sheet date.

1.11 Impairment of Assets

An asset is treated as impaired when the carrying cost of the assets exceeds its recoverable amount. An impairment loss is charged to the Statement of Profit and Loss account as an exceptional item in the year in which an asset is identified as impaired.

1.12 Foreign Currency Transactions

1.12.1 Initial Recognition

Foreign currency transactions are initially recorded at the rate of exchange prevailing on the date of transaction.

1.12.2 Conversion

Foreign Currency monetary items are translated with reference to the rates of exchange prevailing on the date of the Balance Sheet. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate prevailing on the date of transaction and non-monetary items which are carried at fair value or similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the values were determined.

1.12.3 Exchange Difference

Exchange difference arising on settlement of monetary items or on reporting company's monetary items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognized as income or as expense in the year in which they arise.

1.13 Provision, Contingent Liabilities & Contingent Assets

A provision is recognized when the company has a present obligation as a result of a past event and 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. Provisions are determined based on management estimate required to settle the obligation at the balance sheet date and are not discounted to present value. Contingent liabilities are disclosed on the basis of judgement of the management. These are reviewed at each balance sheet date and are adjusted to reflect the current management estimate. Contingent assets are neither recognized, nor disclosed in the financial statements.

1.14 Employees Benefits

Employee benefits, inter-alia include provident fund, pension, gratuity, leave benefits and post-retirement benefits.

1.14.1 Defined contribution plans - Company's contribution paid/payable during the year to Provident Fund and Pension Fund is recognized in the Statement of Profit and Loss on accrual basis.

1.14.2 Defined Benefit plans - Company's liability towards gratuity, leave benefits, post-retirement benefits is determined on the basis of actuarial valuation at the end of financial year using the projected unit credit method. Actuarial gains and losses are recognized in the Statement of Profit and Loss in the year of its occurrence.

1.14.3 Short term employee benefits are recognised as an expense at the undiscounted amount in the Statement of Profit and Loss for the year in which the related services are rendered.

1.14.4 Liability in respect of gratuity, leave encashment and provident fund of employees on deputation with the Company are accounted for on the basis of terms and conditions of deputation of the parent organizations.

1.15 Leases

Assets acquired on lease where a significant portion of the risk and rewards of the ownership is retained by the Lessor are classified as Operating Lease. Lease Rentals are charged to revenue over the lease term on the basis of lease agreements. Initial Direct Costs are charged to the Statement of Profit and Loss in period in which the same are incurred.

1.16 Cash Flow Statement

Cash Flow Statement is prepared in accordance with the indirect method prescribed in the relevant Accounting Standard.

1.17 Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted earnings per shares, the net profit or loss for the year attributable to equity shareholder and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

1.18 Segment Reporting

The accounting policy adopted for segment reporting are in line with the accounting policies of the company. Segment revenue, segment expenses, segment assets & liabilities are identified on the basis of their relationship to the operating activities of the segment. Revenue, expenses, assets & liabilities which relate to the company as a whole and not allowable to segment on reasonable basis are included under unallocated revenue/Expenses/assets/liabilities.

1.19 Prepaid & Prior Period Expenses

Prepaid expenses and prior period expenses/income of each item of Rs. 100,000/- and below are charged to natural heads of accounts in the year of payment/receipt.

SOLAR ENERGY CORPORATION OF INDIA LIMITED

(Formerly known as Solar Energy Corporation of India)

NOTES TO FINANCIAL STATEMENTS:

NOTE 2: SHARE CAPITAL

Share Capital	As at 31.03.2017		As at 31.03.2016	
	Number	Amount	Number	Amount
Authorised Equity Shares of Rs1000 each	2,00,00,000	20,00,00,00,000	2,00,00,000	20,00,00,00,000
Issued & Subscribed * Equity Shares of Rs1000 each	60,00,000	6,00,00,00,000	60,00,000	6,00,00,00,000
Fully paid up Equity Shares of Rs1000 each	30,40,000	3,04,00,00,000	20,40,000	2,04,00,00,000
Total	30,40,000	3,04,00,00,000	20,40,000	2,04,00,00,000

* The Subscribers to the Memorandum and Article of Association had undertaken to subscribe 60,00,000 Equity Shares of Rs. 1000 each out of which 30,40,000 Equity Shares of Rs. 1000 each have been subscribed and fully paid up.

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

Particulars	As at 31.03.2017		As at 31.03.2016	
	Number	Amount	Number	Amount
Shares outstanding at the beginning of the year	20,40,000	2,04,00,00,000	10,33,500	1,03,35,00,000
Shares Issued during the year	10,00,000	1,00,00,00,000	10,06,500	1,00,65,00,000
Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	30,40,000	3,04,00,00,000	20,40,000	2,04,00,00,000

B. The Company has issued only one kind of equity shares with voting rights proportionate to the share holding of the shareholders. These voting rights are exercisable at meeting of shareholders. The holders of the equity shares are also entitled to receive dividend as declared from time to time for them

C. Details of shareholders holding more than 5% shares in the company

Name of Shareholder	As at 31.03.2017		As at 31.03.2016	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
President of India	30,40,000	100	20,40,000	100

D. In preceding five financial years immediately preceding 31.03.2017, Company has not allotted any equity share as fully paid up pursuant to contract(s) without payment being received in cash/ not allotted any equity share as fully paid up by way of bonus share(s)/not bought back any shares.

SOLAR ENERGY CORPORATION OF INDIA LIMITED

(Formerly known as Solar Energy Corporation of India)

NOTES TO FINANCIAL STATEMENTS:

NOTE 3 : RESERVES & SURPLUS

Reserves & Surplus	Amount as at 31.03.2017	Amount as at 31.03.2016
Surplus/ (Deficit) in the Statement of Profit & Loss		
Balance as at beginning of the year	17,14,69,726	65,30,611
Add: Profit/(Loss) for the year	46,53,75,629	19,10,14,440
Less: Transfer to Grant Account for previous year	-	(30,85,276)
Add : Adjustment of Corporate Dividend & Tax	8,478	-
Amount available for appropriations:	63,68,53,833	19,44,59,775
Appropriations:		
Less : Proposed Dividend (Previous Year Rs. 9.36/-)*	-	(1,91,01,444)
Less : Tax on Proposed Dividend	-	(38,88,605)
Net Surplus/ (Deficit) in the Statement of Profit & Loss	63,68,53,833	17,14,69,726

* See Note No. 25.28. No provision for proposed dividend & Tax on Proposed Dividend has been made in accordance with AS-4(Revised)

NOTE 4: LONG TERM BORROWINGS

Long Term Borrowings	Amount as at 31.03.2017	Amount as at 31.03.2016
Secured		
Term Loan from State Bank of India (Interest- 9.30%p.a. (floating at Base Rate of SBI), Repayment starting from 30.06.2017 (after expiry of 1 year of moratorium period) in 56 equal quarterly instalments of Rs. 87.5 Lakhs each.Secured by hypothecation and mortgage by first charge on the fixed assets (moveable & immoveable), receivables and accounts, both present and future related to the 10MW Solar PV plant at Badi, Rajasthan of the company)	-	24,63,20,000
Total	-	24,63,20,000

The company has been sanctioned Non Fund Facility of Rs. 50 crore from HDFC Bank Limited against hypothecation of all present and future receivables.

The company has been sanctioned Non Fund Facility of Rs. 50 crore from SBI against hypothecation of all present and future current assets, securities and receivables.

Note:- The Company has fully repaid the term loan during the year

NOTE 5 : OTHER LONG TERM LIABILITIES

Other Long term Liabilities	Amount as at 31.03.2017	Amount as at 31.03.2016
Security Deposit	76,42,378	77,25,128
Capital Creditors	-	5,63,03,641
Total	76,42,378	6,40,28,769

NOTE 6 : LONG TERM PROVISIONS

Long Term Provisions	Amount as at 31.03.2017	Amount as at 31.03.2016
Provision for Earned Leaves	7,033,823	4,934,407
Provision for Half Pay Leaves	2,810,752	2,175,544
Provision for Gratuity	4,712,581	2,946,157
Provision for other Post Retirement Benefits	3,911,888	2,899,076
Provision for Post Retirement Medical Scheme	1,716,721	961,486
Total	2,01,85,765	1,39,16,670

NOTE 7 : TRADE PAYABLES

Trade Payables	Amount as at 31.03.2017	Amount as at 31.03.2016
Trade Payables	1,09,94,37,315	1,17,46,11,492
Total	1,09,94,37,315	1,17,46,11,492

NOTE 8 : OTHER CURRENT LIABILITIES

Other Current Liabilities	Amount as at 31.03.2017	Amount as at 31.03.2016
Subsidy for Disbursement	7,32,01,15,846	2,46,23,34,249
Grant received from MNRE	49,96,182	1,28,338
Advance from Clients	6,72,58,796	6,19,85,320
Duty & Taxes	85,54,500	51,84,639
Security Deposit	1,82,90,470	2,21,29,585
Extension Money From Developers	11,88,13,735	-
Purchase of Solar Power Payables (Payable in respect of Solar Power purchase)	70,28,67,105	67,23,02,985
Payment Security Fund (See Accounting Policy No. 1.9.2 & 1.9.3)	1,95,65,94,494	84,13,65,856
Other Payable	17,31,34,996	20,84,31,049
Total	10,37,06,26,124	4,27,38,62,021

NOTE 8.1 : PAYMENT SECURITY FUND

Payment Security Fund	Amount as at 31.03.2017	Amount as at 31.03.2016
Balance as at beginning of the year	84,13,65,856	5,36,00,900
Addition during the year	1,11,70,13,828	83,62,39,402
Adjustments during the year	(17,85,190)	(4,84,74,446)
Balance as at the end of the year	1,95,65,94,494	84,13,65,856

NOTE 9 : SHORT TERM PROVISIONS

Short Term Provisions	Amount as at 31.03.2017	Amount as at 31.03.2016
Provision for Doubtful Debts	7,98,000	-
Provision for Earned Leaves	10,82,527	11,83,891
Provision for Half Pay Leaves	3,78,763	2,72,022
Provision for Gratuity	34,694	18,351
Provision for Post Retirement Medical Scheme	2,706	2,071
Provision for Deputation Employee Benefits	15,51,539	11,93,165
Provision for Performance Related Pay & Ex-gratia	2,59,46,846	1,64,00,000
Provision for 3rd Pay Revision	1,07,17,973	-
Provision for Income Tax	27,24,80,070	8,58,18,565
Proposed Dividend Payable (See Note No. 25.28)	-	1,91,01,444
Provision for Corporate Dividend Tax Payable (See Note No. 25.28)	-	38,88,605
Total	31,29,93,118	12,78,78,114

SOLAR ENERGY CORPORATION OF INDIA LIMITED
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NOTES TO FINANCIAL STATEMENTS:

NOTE 10 : FIXED ASSETS

Financial Year 2016-17

(Amount in Rs.)

Particulars	GROSS BLOCK AT COST			DEPRECIATION AND AMORTIZATION					NET BLOCK		
	As at 01.04.2016	Additions	(Sales)/ adjustment	Total as at 31.03.2017	As at 01.04.2016	Adjustment	For The Year	(Deduction) during the year	Total as at 31.03.2017	As at 31.3.2017	As at 31.3.2016
TANGIBLE ASSETS											
Plant & Machinery	57,68,11,758	1,48,45,842	58,23,074	59,74,80,674	91,880	930	3,46,80,780	-	3,47,73,590	56,27,07,084	57,67,19,878
Leasehold Land	1,92,87,300	-	-	1,92,87,300	2,34,095	-	6,42,910	-	8,77,005	1,84,10,295	1,90,53,205
Building	71,41,553	-	9,89,773	81,31,326	1,138	158	4,74,057	-	4,75,353	76,55,973	71,40,415
Computers											
Computer - End User Device	56,53,654	13,30,889	(1,31,072)	68,53,471	32,37,118	-	13,81,434	(63,702)	45,54,850	22,98,621	24,16,536
Computer-Servers & Network	1,00,485	2,65,262	3,01,022	6,66,769	35,170	41,124	93,568	-	1,69,862	4,96,907	65,315
Office Equipment	43,40,758	18,33,564	7,44	61,81,466	17,04,434	10,231	10,01,708	(13,095)	27,03,278	34,78,188	26,36,324
Furniture & Fixtures	10,04,250	35,000	(82,050)	9,57,200	1,99,482	-	93,937	(9,624)	2,83,795	6,73,405	8,04,768
Motor Vehicles	78,84,320	-	-	78,84,320	26,04,283	-	9,57,730	-	35,62,013	43,22,307	52,80,037
(A)- Total Tangible Assets	62,22,24,078	1,83,10,557	69,07,891	64,74,42,526	81,07,600	52,443	3,93,26,124	(86,421)	4,73,99,746	60,00,42,783	61,41,16,478
INTANGIBLE ASSETS											
Computer Software	50,91,739	22,83,446	7,09,381	80,84,566	21,27,242	59,786	13,87,753	-	35,74,781	45,09,785	29,64,497
(B)- Total Intangible Assets	50,91,739	22,83,446	7,09,381	80,84,566	21,27,242	59,786	13,87,753	-	35,74,781	45,09,785	29,64,497
Grand Total (A+B)	62,73,15,817	2,05,94,003	76,17,272	65,55,27,092	1,02,34,842	1,12,229	4,07,13,877	(86,421)	5,09,74,527	60,45,52,568	61,70,80,975
Previous Year	1,99,41,432	60,74,91,336	(1,16,951)	62,73,15,817	59,21,887	3,109	43,88,216	(78,370)	1,02,34,842	61,70,80,975	1,40,19,545

SOLAR ENERGY CORPORATION OF INDIA LIMITED

(Formerly known as Solar Energy Corporation of India)

NOTES TO FINANCIAL STATEMENTS:

NOTE 11: CAPITAL WORK IN PROGRESS

Capital Work in Progress	Amount as at 31.03.2017	Amount as at 31.03.2016
Expenditure pending allocation:		
Registration Charges	1,00,000	5,61,800
Total	1,00,000	5,61,800

NOTE 12 : NON CURRENT INVESTMENTS

Non Current Investments	Amount as at 31.03.2017	Amount as at 31.03.2016
Trade Investment in Equity Shares, fully paid up (Unquoted)		
(50% equity shares (50,000 shares of Face Value of Rs. 10 each) in Joint Venture Company - Andhra Pradesh Solar Power Corporation Private Limited, valued at cost)	5,00,000	5,00,000
(50% equity shares (5,000 shares of Face Value of Rs. 1000 each) in Joint Venture Company - Renewable Power Corporation of Kerala Limited, valued at cost)	50,00,000	50,00,000
(50% equity shares (5,00,000 shares of Face Value of Rs. 10 each) in Joint Venture Company - Karnataka Solar Power Development Corporation Private Limited, valued at cost)	50,00,000	50,00,000
(50% equity shares (5,00,000 shares of Face Value of Rs.10 each) in Joint Venture Company - Lucknow Solar Power Development Corporation Limited, valued at cost)	50,00,000	50,00,000
(50% equity shares (10,000 shares of Face Value of Rs. 1,000 each) in Joint Venture Company - Rewa Ultra Mega Solar Limited, valued at cost)	1,00,00,000	1,00,00,000
(50% equity shares (2,500 shares of Face Value of Rs. 1,000 each) in Joint Venture Company - Himachal Renewable Limited, valued at cost)	25,00,000	-
Total	2,80,00,000	2,55,00,000

NOTE 13 : LONG TERM LOANS & ADVANCES

Long Term Loans and Advances	Amount as at 31.03.2017	Amount as at 31.03.2016
Secured, considered good		
Advance to Contractor	-	1,18,34,415
Unsecured, considered good		
Capital Advances (Include a sum of Rs 1,64,22,18,245 (Previous Year 83,52,58,108/-) for Purchase of office Space from NBCC)	1,64,26,80,148	95,33,54,613
Security Deposits	3,95,24,296	1,05,200
TDS Recoverable	2,40,82,998	2,56,38,711
Total	1,70,62,87,442	99,09,32,939

NOTE 14 : OTHER NON CURRENT ASSETS

Other Non Current Assets	Amount as at 31.03.2017	Amount as at 31.03.2016
Fixed Deposit Earmarked (Sales Tax Guarantee)	-	-
Total	-	-

NOTE 15: TRADE RECEIVABLES

Trade Receivables	Amount as at 31.03.2017	Amount as at 31.03.2016
Trade receivables outstanding for a period less than six months from the date they are due for payment		
-Unsecured, considered good	96,04,99,589	1,34,15,17,446
Trade receivables outstanding for a period exceeding six months from the date they are due for payment		
-Unsecured, considered good	5,98,92,238	21,09,379
Total	1,02,03,91,827	1,34,36,26,825

NOTE 16 : CASH AND BANK BALANCES

Cash and Bank Balances	Amount as at 31.03.2017	Amount as at 31.03.2016
Cash and cash equivalents		
Balances with banks in :		
Saving Account	-	-
Current Accounts	5,03,86,91,962	1,25,04,05,691
Other Bank Balances		
Fixed Deposit	5,83,72,00,000	2,55,88,83,497
Fixed Deposit (Lien with Bank)	36,97,700	3,00,000
Total	10,87,95,89,662	3,80,95,89,188

NOTE 17 : SHORT TERM LOANS & ADVANCES

Short-Term Loans and Advances	Amount as at 31.03.2017	Amount as at 31.03.2016
Advances Recoverable in Cash or Kind (Unsecured, considered good)		
Earnest Money Deposit	-	-
Staff Advance	7,26,511	3,91,983
Amount Recoverable	1,48,50,657	1,95,39,775
Prepaid Expenses	13,27,943	5,72,951
Security Deposits	-	1,62,24,320
Balances With Revenue/Govt Authorities	8,02,57,770	6,05,60,050
Advance Tax	16,97,00,000	3,60,00,000
Total	26,68,62,881	13,32,89,079

NOTE 18 : OTHER CURRENT ASSETS

Other Current Assets	Amount as at 31.03.2017	Amount as at 31.03.2016
Interest Accrued but not due	26,36,35,693	6,78,30,972
Unbilled Revenue - Solar Power	72,49,79,058	1,14,75,34,302
Other Current Assets	3,02,92,842	2,39,92,961
Total	1,01,89,07,593	1,23,93,58,235

NOTE 19: REVENUE FROM OPERATIONS

Revenue from Operations	Year Ended 31.03.2017	Year Ended 31.03.2016
Sale of Solar Power	6,96,92,91,861	5,29,47,46,253
Consultancy and Project Monitoring Fees	73,37,79,862	38,74,02,426
Work Done Projects	70,57,008	35,28,248
Other Operating Income	14,34,52,363	5,33,50,558
Total	7,85,35,81,094	5,73,90,27,485

NOTE 20: OTHER INCOME

Other Income	Year Ended 31.03.2017	Year Ended 31.03.2016
Interest Income	12,59,57,918	5,14,42,988
Other Non-operating income	20,32,703	7,54,385
Total	12,79,90,621	5,21,97,373

NOTE 21: EMPLOYEE BENEFITS EXPENSE

Employee Benefits Expense	Year Ended 31.03.2017	Year Ended 31.03.2016
Salaries, Wages, Allowances & Benefits	10,89,23,372	6,62,42,625
Contribution to Provident and Other Funds	1,52,06,395	96,38,361
Staff Welfare Expenses	11,56,201	8,18,423
Total	12,52,85,968	7,66,99,409

NOTE 22: FINANCE COSTS

Finance Costs	Year Ended 31.03.2017	Year Ended 31.03.2016
Interest on Term Loan	1,44,45,024	62,761
Total	1,44,45,024	62,761

NOTE 23: OTHER EXPENSES

Other Expenses	Year Ended 31.03.2017	Year Ended 31.03.2016
Rent	8,91,84,329	4,64,23,183
Repair & Maintenance of Building	1,22,62,109	54,87,052
Security & Manpower Expenses	1,23,03,107	95,78,955
Vehicle Running Expenses	45,22,913	26,82,254
Training & Recruitment Expenses	14,50,811	20,67,171
Travelling & Conveyance Expenses	1,93,17,883	1,07,32,579
Advertisement & Publicity	2,28,08,146	2,00,20,584
Communication Expenses	32,60,968	21,23,680
Water, Power & Electricity Charges	14,62,739	6,39,944
Legal & Professional Charges	2,56,36,330	42,98,691
Office Repair & Maintenance	17,45,699	19,27,520
Printing, Postage & Stationary	30,23,408	28,12,083
Meeting Expenses	27,85,775	18,10,743
License Fees	15,00,000	18,27,000
Bank Charges	43,717	57,502
Insurance Expenses	2,11,972	2,81,990
Professional Books & Journals	3,98,351	53,597
Loss on Asset Written Off	34,579	28,231
Sponsorship Expenses	17,44,131	78,49,238

Foundation Day Expenses	17,94,928	19,32,946
Support Service Charges	1,10,95,822	80,68,713
Miscellaneous Expenses	4,33,647	2,38,155
Membership Fees	20,63,624	46,826
CSR Activity Expense	29,01,000	-
Provision for Doubtful Debts	7,98,000	-
Project Develop Exp.-CSP Written Off	5,61,800	-
Rebate Allowed	20,19,275	-
Auditor's Remuneration		
Audit Fees	3,45,000	68,700
For Reimbursement of Expenses	-	6,870
For Other Services	-	-
Total	22,57,10,063	13,10,64,207

NOTE 24: PRIOR PERIOD ITEMS (NET)

Prior Period Items (Net)	Year Ended 31.03.2017	Year Ended 31.03.2016
PRIOR PERIOD ITEMS (EXPENSES)		
Membership Fees	2,24,720	-
Employee Benefits Expense-Other	2,95,750	36,00,000
Software Support Services	1,54,715	-
Purchase of Solar Power	14,72,318	-
Revenue Reversal from Project Monitoring & Technical Guidance	12,30,650	-
Audit Fees	2,87,486	-
E-Tendering Expenses	2,07,245	-
Depreciation	1,12,229	-
Miscellaneous Expense	-	1,23,109
PRIOR PERIOD ITEMS (INCOME)		
Sale of Solar Power	14,85,825	-
Total	24,99,288	37,23,109

25 Notes to Financial Statement:

25.1 Disclosure as per Accounting Standard (AS)-1 on 'Disclosure of Accounting Policies'

The Accounting policies at S.No. 1.9.1, 1.9.2, 1.9.3, 1.9.5, 1.9.7, 1.16, 1.17, 1.18 & 1.19 have been added/amended in conformity with the Accounting Standards. There is no impact on the profit due to the above additions of policy except policy at S.No. 1.9.5 for which impact on profit due to change in the policy has been disclosed at Note No. 25.30.

25.2 Disclosure as per Accounting Standard (AS)-3 on 'Cash Flow Statement'

Cash Flows Statement is prepared in accordance with the indirect method prescribed in Accounting Standard (AS-3), 'Cash Flow Statement'.

25.3 Disclosure as per Accounting Standard (AS)- 7 on 'Construction Contracts'

S. No.	Particulars	As at 31.03.2017	As at 31.03.2016
1	Contract revenue recognized as revenue in the Period	70,57,008	35,28,248
2	Gross amount due from customers for contract work—presented as an asset	NIL	NIL
3	Gross amount due to customers for contract work—presented as a liability	11,19,722	11,19,722

25.4 Disclosure as per Accounting Standard (AS) - 11 on 'Effects of Changes in Foreign Exchange Rates'

The effect of foreign exchange fluctuation during the year is as under:

The amount of exchange differences (net) credited to the statement of profit & loss is Rs. 713/- (previous year debited of Rs. 1,729/- (net)).

25.5 Disclosure as per Accounting Standard (AS)- 15 on 'Employee Benefits'

General descriptions of various defined employee benefits are as under:

25.5.1 Defined Contribution Plans:

25.5.1.1 Employer's contribution to Provident Fund:

The company pays fixed contribution to provident fund at predetermined rates to Employees Provident Fund Organization. The amount recognized as expense (including administration charges) and charged to the Statement of Profit and Loss is as under:

(Amount in ₹)

Particulars*	Year ended 31.03.2017	Year ended 31.03.2016
Amount paid to EPFO	58,96,504	43,51,796
Amount Payable to EPFO	1,05,710	-
Amount paid to the Parent organization for employees on deputation	8,06,605	6,11,606
Less: Transferred to Grant/capitalized	2,62,718	7,87,957
Amount recognized as expense in the Statement of Profit and Loss	65,46,101	41,75,445

* including Administration charges

25.5.1.2 Employer's contribution to Pension Scheme:

The defined contribution pension scheme of the Company for its employees which is effective from 1st June 2012 has been approved by MNRE. As per the Scheme, company pays fixed contribution at predetermined rates to LIC. The contribution of Rs. 17,38,188/- (Previous year Rs. 32,40,135/- for whole year) upto August, 2016 to the LIC & then to the trust under SECI Defined Contributory Pension scheme of Rs. 27,01,123/- has been recognized as expense and has been charged to the Statement of Profit and Loss Account.

25.5.2 Defined Benefit Plans:

25.5.2.1 Gratuity:

The Company has a defined benefit gratuity plan. Every employee who has rendered continuous service of five years or more is entitled to gratuity at 15 days salary (15/26 X last drawn basic salary plus dearness allowance) for each completed year of service subject to a maximum of ₹10 Lakhs on superannuation, resignation, termination, disablement or on death. The liability towards gratuity has been provided on the basis of actuarial valuation. The liability is unfunded.

25.5.2.2 Earned Leave Encashment

The company has defined benefit leave encashment plan for its Employees. Under this plan they are entitled to encashment of earned leaves subject to certain limits and other conditions specified for the same. The liability towards leave encashment has been provided on the basis of actuarial valuation. The liability is unfunded.

25.5.2.3 Half Pay Leave Encashment

The company has defined benefit half pay leave encashment plan for its Employees. Under this plan they are entitled to encashment of half pay leaves subject to certain limits and other conditions specified for the same. The liability towards leave encashment has been provided on the basis of actuarial valuation. The liability is unfunded.

25.5.2.4 Post-Retirement Medical Scheme (PRMS):

The Company has formulated Post-Retirement Medical Scheme, under which retired employee and his/her spouse are provided medical facilities in the company hospitals/empaneled hospitals. They can also avail treatment as Out-Patient subject to a ceiling fixed by the company. The liability towards the Post-Retirement medical expenses has been provided on the basis of actuarial valuation. The liability is unfunded.

25.5.2.5 Post-Retirement Superannuation Benefits

DPE Guidelines on Revision of Pay Scales (Industrial DA Patterns) of employees include a provision for providing superannuation benefits up to 30% of Basic Pay & DA which include CPF, Gratuity, Post superannuation medical facilities and Pension. As per guidelines, the CPSEs are to make their own schemes in this regard. The Provision of balance remaining amount out of 30 % of Basic Pay & DA towards Post- Retirement Superannuation Benefits of ₹10,12,812/- (Previous Year ₹13,02,627/-) has been made. The liability is unfunded.

The Company has provided for the following employee benefits under the aforementioned DPE guidelines, for employees other than employees on deputation:

(Amount in ₹)

Sl. No.	Particulars	2016-17	2015-16
1.	Defined Contribution Plan – Provident Fund	53,27,174	38,88,161
2.	Defined Contribution Plan – Pension	44,39,311	32,40,134
3.	Defined Benefit Plan- Gratuity	17,82,767	9,52,360
4.	Defined Benefit Plan – PRMS	7,55,870	3,37,120
5.	Post Retirement other benefits	10,12,812	13,02,627
	Basic +D.A. = 4,43,93,113/- X 30% (Previous Year: 3, 24, 01,341/- X 30%)	1,33,17,934	97,20,402

25.5.3 Key principal assumptions used for Actuarial Valuation are as under:

25.5.3.1 Economic Assumptions

Particulars	Earned Leave, Half Pay Leave, Gratuity and Post- Retirement Medical Benefits	
	2016-17	2015-16
i) Discounting Rate (%) per annum	7.35	8.00
ii) Future salary increase (%) per annum	6.00	6.00

25.5.3.2 Demographic Assumptions

i) Retirement Age (Years)	60	60
ii) Mortality Table	IALM (2006-08)	
iii) Ages	Withdrawal	
	Rate (%)	
Up to 30 Years	3	3
From 31 to 44 years	2	2
Above 44 years	1	1

The estimates of future salary increase considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

25.5.4 The summarized position of various defined benefits recognized in the Statement of Profit and Loss and Balance Sheet are as under:

25.5.4.1 Change in present value of obligation – Leave Benefits

(Amount in ₹)

Sl. No.	Particulars	Earned Leave		Half Pay Leave	
		2016-17	2015-16	2016-17	2015-16
a)	Present value of obligation as at the beginning of the period	61,18,298	49,78,603	24,47,566	19,86,233
b)	Acquisition adjustment	63,062	94,407	19,671	9,938
c)	Interest cost	4,89,464	3,98,288	1,95,805	1,58,899
d)	Past service cost	--	--	--	--
e)	Current service cost	26,61,711	20,05,956	9,80,304	8,12,893
f)	Benefits paid	(9,00,743)	(3,80,633)	(1,19,156)	--
g)	Actuarial (gain)/ loss on obligation	(3,15,442)	(9,78,323)	(3,34,675)	(5,20,397)
h)	Present value of obligation as at the end of period	81,16,350	61,18,298	31,89,515	24,47,566

25.5.4.2 The amounts to be recognized in Balance Sheet and related analysis–Leave Benefits

(Amount in ₹)

Sl. No.	Particulars	Earned Leave		Half Pay Leave	
		2016-17	2015-16	2016-17	2015-16
a)	Present value of obligation as at the end of the period	81,16,350	61,18,298	31,89,515	24,47,566
b)	Fair value of plan assets as at the end of the period	--	--	--	--
c)	Funded status	(81,16,350)	(61,18,298)	(31,89,515)	(24,47,566)
d)	Net asset/ (liability) recognized in Balance Sheet	(81,16,350)	(61,18,298)	(31,89,515)	(24,47,566)

25.5.4.3 Expense recognized in the Statement of Profit and Loss – Leave Benefits

(Amount in ₹)

Sl. No.	Particulars	Earned Leave		Half Pay Leave	
		2016-17	2015-16	2016-17	2015-16
a)	Current service cost	26,61,711	20,05,956	9,80,304	8,12,893
b)	Past service cost	--	–	–	–
c)	Interest cost	4,89,464	3,98,288	1,95,805	1,58,899
d)	Expected return on plan assets	--	–	–	–
e)	Net actuarial (gain)/ loss recognized in the period	(3,15,442)	(9,78,323)	(3,34,675)	(5,20,397)
f)	Transferred to Grant	--	(61,953)	--	–
g)	Capitalized in Project	--	(2,87,819)	--	–
h)	Expenses recognized in the Statement of Profit and Loss	28,35,733	10,76,149	8,41,434	4,51,395

25.5.4.4 Change in present value of obligation - PRMS and Gratuity benefits

(Amount in ₹)

Sl. No.	Particulars	PRMS		Gratuity	
		2016-17	2015-16	2016-17	2015-16
a)	Present value of obligation as at the beginning of the period	9,63,557	6,26,437	29,64,508	17,35,800
b)	Acquisition adjustment	--	--	--	2,76,348
c)	Interest cost	77,085	50,115	2,37,161	1,38,864
d)	Past service cost	--	–	–	–
e)	Current service cost	6,26,029	3,80,899	15,91,285	11,02,619
f)	Benefits paid	--	–	–	–
g)	Actuarial (gain)/ loss on obligation	52,756	(93,894)	(45,679)	(2,89,123)
h)	Present value of obligation as at the end of period	17,19,427	9,63,557	47,47,275	29,64,508

25.5.4.5 The amounts to be recognized in Balance Sheet and related analysis - PRMS and Gratuity benefits

(Amount in ₹)

Sl. No.	Particulars	PRMS		Gratuity	
		2016-17	2015-16	2016-17	2015-16
a)	Present value of obligation as at the end of the period	17,19,427	9,63,557	47,47,275	29,64,508
b)	Fair value of plan assets as at the end of the period	--	--	--	--
c)	Funded status	(17,19,427)	(9,63,557)	(47,47,275)	(29,64,508)
d)	Net asset/ (liability) recognized in Balance Sheet	(17,19,427)	(9,63,557)	(47,47,275)	(29,64,508)

25.5.4.6 Expense recognized in the Statement of Profit and Loss - PRMS and Gratuity benefits

(Amount in ₹)

Sl. No.	Particulars	PRMS		Gratuity	
		2016-17	2015-16	2016-17	2015-16
a)	Current service cost	6,26,029	3,80,899	15,91,285	11,02,619
b)	Past service cost	--	--	--	--
c)	Interest cost	77,085	50,115	2,37,161	1,38,864
d)	Expected return on plan assets	--	--	--	--
e)	Net actuarial (gain)/ loss recognized in the period	52,756	(93,894)	(45,679)	(2,89,123)
f)	Expenses recognized in the Statement of Profit and Loss	7,55,870	3,37,120	17,82,767	9,52,360

25.5.4.7 The effect of one percentage point increase/decrease in the medical cost of PRMS will be as under:

(Amount in ₹)

Sl. No.	Particulars	2016-17		2015-16	
		Increase by (1 %)	Decrease by (1 %)	Increase by (1 %)	Decrease by (1 %)
a)	Effect on Service & Interest Cost	2,31,599	(2,39,039)	1,83,817	(1,10,170)
b)	Effect on PBO (Closing)	8,01,670	(4,19,368)	3,90,419	(2,35,506)

25.5.5 Other disclosures:

25.5.5.1 Gratuity

(Amount in ₹)

Particulars	31.03.2017	31.03.2016	31.03.2015	31.03.2014
PBO (C)	47,47,275	29,64,508	17,35,800	8,95,110
Plan Assets	-	-	-	-
Net Assets/ (Liability)	(47,47,275)	(29,64,508)	(17,35,800)	(8,95,110)
Experience adjustments on Plan PBO	4,48,694	2,89,123	58,811	(19,710)
Experience adjustments on Plan assets	-	-	-	-

25.5.5.2 Earned Leave

(Amount in ₹)

Particulars	31.03.2017	31.03.2016	31.03.2015	31.03.2014
PBO (C)	81,16,350	61,18,298	49,78,603	27,12,996
Plan Assets	-	-	-	-
Net Assets/ (Liability)	(81,16,350)	(61,18,298)	(49,78,603)	(27,12,996)
Experience adjustments on Plan PBO	9,71,358	9,78,323	3,17,307	22,407
Experience adjustments on Plan assets	-	-	-	-

25.5.5.3 Half Pay Leave

(Amount in ₹)

Particulars	31.03.2017	31.03.2016	31.03.2015	31.03.2014
PBO (C)	31,89,515	24,47,566	19,86,233	11,93,552
Plan Assets	-	-	-	-
Net Assets/ (Liability)	(31,89,515)	(24,47,566)	(19,86,233)	(11,93,552)
Experience adjustments on Plan PBO	5,73,298	5,20,397	3,81,866	54,037
Experience adjustments on Plan assets	-	-	-	-

25.5.5.4 PRMS

(Amount in ₹)

Particulars	31.03.2017	31.03.2016	31.03.2015	31.03.2014
PBO (C)	17,19,427	9,63,557	6,26,437	2,96,400
Plan Assets	-	-	-	-
Net Assets/ (Liability)	(17,19,427)	(9,63,557)	(6,26,437)	(2,96,400)
Experience adjustments on Plan PBO	4,63,635	93,894	(33,796)	22,159
Experience adjustments on Plan assets	-	-	-	-

25.6 Disclosure as per Accounting Standard (AS)-16 on 'Borrowing Costs'

Borrowing Costs capitalized during the year are Rs NIL. /- (Previous Year Rs 1,89,567)

25.7 Disclosure as per Accounting Standard (AS)-17 on 'Segment Reporting'

Segment Information

25.7.1 Business Segments

The Company's principal business is Power trading. Other business includes providing consultancy, project management and supervision.

25.7.2 Segment revenue and expense

Revenue directly attributable to the segments is considered as 'Segment Revenue'. Expenses directly attributable to the segments and common expenses allocated on a reasonable basis are considered as 'Segment Expenses'.

25.7.3 Segment assets and liabilities

Segment assets include all operating assets in respective segments comprising of net fixed assets and current assets, loans and advances. Segment liabilities include operating liabilities and provisions.

25.7.4 The operation of the company mainly carried out within the country and therefore there is no reportable geographical segment.

25.7.5 Segment Reporting

Particulars	Business Segments					
	Power Trading		Consultancy and Project Management		Total	
	2016-17	2015-16	2016-17	2015-16	2016-17	2015-16
Segment Revenue						
Revenue from Operations	6,96,92,91,861	5,29,47,46,150	73,37,79,862	38,74,02,426	7,70,30,71,723	5,68,21,48,576
Unallocated Interest and Other Income	-	-	-	-	27,84,99,992	10,90,76,282
Total	6,96,92,91,861	5,29,47,46,150	73,37,79,862	38,74,02,426	7,98,15,71,715	5,79,12,24,858
Segment Result	14,36,98,990	3,51,14,329	61,85,03,438	32,33,78,112	76,22,02,428	35,84,92,441
Unallocated expenses, Interest and finance charges	-	-	-	-	31,27,93,348	14,28,83,469
Profit before tax	-	-	-	-	72,79,09,072	32,46,85,254
Provision for taxes	-	-	-	-	26,25,33,443	13,36,70,814
Profit after tax	-	-	-	-	46,53,75,629	19,10,14,440
Other Information:						
Segment Assets	2,72,59,64,918	2,62,40,93,470	4,25,53,11,115	1,87,70,16,287	6,98,12,76,033	4,50,11,09,757
Unallocated Assets	-	-	-	-	8,54,34,15,940	3,57,30,10,719
Total Assets	2,72,59,64,918	2,62,40,93,470	4,25,53,11,115	1,87,70,16,287	15,52,46,91,973	8,07,41,20,476
Segment Liabilities	3,87,29,71,970	2,69,27,65,494	7,36,18,67,928	2,46,77,72,001	11,23,48,39,898	5,16,05,37,495
Unallocated Liabilities	-	-	-	-	61,29,98,242	70,21,13,255
Total Liabilities	3,87,29,71,970	2,69,27,65,494	7,36,18,67,928	2,46,77,72,001	11,84,78,38,140	5,86,26,50,750
Depreciation and Amortisation	3,58,78,645	79,810	48,35,232	39,81,293	4,07,13,877	40,61,103
Unallocated Depreciation	-	-	-	-	-	3,27,113
Non-Cash Expenses other than depreciation	-	-	34,579	28,231	34,579	28,231
Capital Expenditure	2,16,58,689	-	68,14,558	42,50,725	2,84,73,247	42,50,725
Unallocated Capital Expenditure	-	-	-	-	-	60,32,40,611

25.8 Disclosure as per Accounting Standard (AS)-18 on 'Related Party Disclosures'

25.8.1 Related Parties:

25.8.1.1 Joint ventures:

Andhra Pradesh Solar Power Corporation Private Limited (APSPCPL)

Renewable Power Corporation of Kerala Limited (RPCKL)

Karnataka Solar Power Development Corporation Private Limited (KSPDCPL)

Lucknow Solar Power Development Corporation Limited (LSPDCL)

Rewa Ultra Mega Solar Limited (RUMSL)

Himachal Renewables Limited (HRL)

25.8.1.2 Disclosure of Material Transactions with Related Parties

Name of Joint Venture	2016-17	2015-16	Nature
Andhra Pradesh Solar Power Corporation Private Limited	9,84,76,848	1,02,41,50,000	Grant for Solar Park
Andhra Pradesh Solar Power Corporation Private Limited	-	-	Investment in Equity
Renewable Power Corporation of Kerala Limited	2,00,00,000	-	Grant for Solar Park
Renewable Power Corporation of Kerala Limited	-	50,00,000	Investment in Equity
Karnataka Solar Power Development Corporation Private Limited	79,80,00,000	1,00,00,00,000	Grant for Solar Park
Karnataka Solar Power Development Corporation Private Limited	-	50,00,000	Investment in Equity
Lucknow Solar Power Development Corporation Limited	-	20,81,80,000	Grant for Solar Park
Lucknow Solar Power Development Corporation Limited	-	50,00,000	Investment in Equity
Rewa Ultra Mega Solar Limited	25,00,000	37,50,00,000	Grant for Solar Park
Rewa Ultra Mega Solar Limited	-	1,00,00,000	Investment in Equity
Himachal Renewables Limited	-	-	Grant for Solar Park
Himachal Renewables Limited	25,00,000	-	Investment in Equity
Total	92,14,76,848	2,63,23,30,000	

25.8.1.3 Key Management Personnel (KMP):

Name	Designation
Dr. Ashvini Kumar	Managing Director
Shri Rakesh Kumar	Director (Power Systems) *
Shri C. Kannan	Director (Finance)
Shri Rajeev Bhardwaj	Director (Human Resources)
Shri Shailesh Kumar Gupta	Company Secretary **
Shri Sunil Kumar	Company Secretary ***

* Upto 30th November, 2016

** Upto 04th January, 2017

*** From 05th January, 2017

25.8.2 Remuneration to key management personnel for the year is Rs. 2,01,26,638 /- (Previous year: Rs. 1,87,13,539/-).

Managerial remuneration to KMP	Current Year (₹)	Previous Year (₹)
Dr. Ashvini Kumar	43,49,416	38,61,607
Shri Rakesh Kumar	36,37,702	35,51,991
Shri C. Kannan	44,98,417	40,07,823
Shri Rajeev Bhardwaj	44,18,592	42,21,954
Shri Shailesh Kumar Gupta	26,56,127	30,70,164
Shri Sunil Kumar	5,66,384	-
Total	2,01,26,638	1,87,13,539

25.9 Disclosure as per Accounting Standard (AS)-19 on 'Leases'

The Company's significant leasing arrangements are in respect of operating leases of premises for office and for residential use of employees.

Leasing arrangements with respect to premises for residential use of employees, are non-cancellable and are usually renewable on mutually agreed terms. Employee benefits expense include Rs. 1,11,52,208/- (Previous year Rs. 68,51,640/-) towards lease payments, net of recoveries, in respect of premises for residential use of employees.

Gross lease expenses in respect of premises for offices amounting to Rs. 8,27,32,826/- (Previous year Rs. 4,86,72,960/-) [net lease payments of Rs. 8,82,48,329/- (Previous year Rs. 4,60,96,134/-) after adjusting amount capitalized/reversal of CENVAT credit] is included under Rent.

Future Minimum Lease Payments under non-cancellable operating lease in respect of office premises are as under:

(Amount in Rs.)

Particulars	As at 31.03.2017	As at 31.03.2016
Not later than one year	10,44,81,015	4,46,16,880
Later than one year and not later than five years	16,67,05,596	-
Later than five years	-	-
Total	27,11,86,611	4,46,16,880

The lease agreement in respect of office premises was signed for a period of 3 years w.e.f. 01.03.2017 (1st Floor) & 22.06.2016 (5th Floor) with option of renewal of the lease for a further term with escalation clause of 15 % after expiry of every 3 years.

25.10 Disclosure as per Accounting Standard (AS)-20 on 'Earnings per Share (EPS)'

The elements considered for calculation of Earnings per Share (Basic and Diluted) are as under:

(Amount in Rs.)

Particulars	2016-17	2015-16
a. Net Profit available for Equity Shareholders	46,53,75,629	19,10,14,440
b. Number of Equity Shares used as denominator for calculation of EPS	27,16,712	12,99,135
c. Number of Equity Shares used as denominator for calculation of DEPS	27,16,712	12,99,135
d. Basic Earnings per Share of face value of Rs.1,000/- each (previous year face value of Rs. 1,000/-each)	171.30	147.03
e. Diluted Earnings per Share of face value of Rs.1,000/- each (previous year face value of Rs. 1,000/-each)	171.30	147.03

The details of reconciliation between the weighted average number of equity shares used as the denominator in calculating basic and diluted earnings per share for F.Y. 2015-16:

Particulars	2015-16
Number of Equity Shares used as denominator for calculation of EPS	12,99,135
Add: weighted average number of shares in respect of Share Application money pending allotment received	NIL
Number of Equity Shares used as denominator for calculation of DEPS	12,99,135

25.11 Disclosure as per Accounting Standard (AS)-22 on 'Accounting for taxes on Income'

(Amount in Rs.)

Deferred Tax Assets /(Liabilities) on Account of	As at 31.03.2017	As at 31.03.2016
Depreciation	(5,79,60,085)	(4,26,97,444)
Expenses allowed on payment basis u/s 43B of Income Tax Act, 1961	2,10,06,645	1,14,15,854
Application of funds claimed on account of capital advance u/s 11 of Income Tax Act, 1961 up to Financial Year 2014-15	-	(1,65,70,659)
Total	(3,69,53,440)	(4,78,52,249)

25.12 Disclosure as per Accounting Standard (AS)-27 on 'Financial Reporting of Interest in Joint Ventures'

Name of Joint Venture Company	Country of Incorporation	Proportion of Ownership Interest as at (excluding Share Application Money)	
		31-03-2017 (in %)	31-03-2016 (in %)
Andhra Pradesh Solar Power Corporation Private Limited	India	50.00	50.00
Renewable Power Corporation of Kerala Limited *	India	50.00	50.00
Karnataka Solar Power Development Corporation Private Limited	India	50.00	50.00
Lucknow Solar Power Development corporation Limited	India	50.00	50.00
Rewa Ultra Mega Solar Limited	India	50.00	50.00
Himachal Renewables Limited	India	50.00	-

The Company's share of the assets, liabilities, contingent liabilities and capital commitment as at 31st March 2017 and income and expenses (each without elimination of the effect of transactions between the company & the joint venture entities) for the year in respect of joint venture entities based on audited accounts are given below

(Amount in Rs.)

	Year ended 31.03.2017	Year ended 31.03.2016
A. Assets		
• Non-current assets	4,18,50,56,390	88,16,79,684
• Current assets	3,56,91,25,478	1,32,61,32,181
B. Liabilities		
• Non-current liabilities	3,85,70,44,064	-
• Current liabilities	1,50,81,93,904	27,22,06,964
C. Contingent liabilities	37,50,00,000	1,75,00,000
D. Capital commitments	-	-
E. Income	2,13,83,801	-
F. Expenses	1,76,73,853	-

* The disclosure in respect of Joint Venture Renewable Power Corporation of Kerala Limited has been given due to the fact that the Joint Venture's first Annual Accounts are for the period 15.01.2016 to 31.03.2017.

25.13 Disclosure as per Accounting Standard (AS)-28 on 'Impairment of Assets'

In the opinion of the management, there is no indication of any significant impairment of assets during the year. Thus, there is no impairment loss during the year.

25.14 Contingent Liabilities:

25.14.1 In respect of Company's booking with NBCC for commercial and residential space, as per the allotment letter dated 20.11.2013, NBCC has mentioned service tax in their payment schedule amounting to Rs. 3,97,76,056/- (Previous year Rs. 3,50,96,520) @ 12.36% on the 8 installments paid by the Company till 31.03.2017. However, the same has yet not been demanded by NBCC. The same shall be paid to NBCC at the applicable service tax rates as and when a demand for the same is raised by NBCC.

25.14.2 The company has provided counter indemnity in favour of Bank(s) against issue of various Bank Guarantee(s)/Letter of credit in favour of transmission companies, VAT authorities, Project Developer(s) & PPA holder for a cumulative amount of Rs. 10,14,90,576/- (Previous year Rs. 16,76,81,534/-).

25.15 Capital and other Commitments:

25.15.1 Estimated amount of contracts remaining to be executed on capital account and not provided for is Rs. 38,39,43,086/- (Previous Year Rs. 38,33,81,993/-).

25.15.2 Investments made in the shares of Joint Venture Companies viz. Lucknow Solar Power Development Corporation Limited, Rewa Ultra Mega Solar Limited & Himachal Renewables Limited is subject to lock-in-period of 5 years from the date of incorporation of the respective Joint Venture company during which period the Company cannot sell or transfer its shareholding in the Joint Venture company.

25.16 Information in respect of micro and small enterprises as at 31st March 2017 as required by Micro, Small and Medium Enterprises Development Act, 2006

Particulars	Amount (in Rs.)	
	31.03.2017	31.03.2016
a) Amount remaining unpaid to any supplier:	Nil	Nil
Principal amount	Nil	3,94,320
Interest due thereon	Nil	Nil
b) Amount of interest paid in terms of Section 16 of the MSMED Act along with the amount paid to the suppliers beyond the appointed day.	Nil	Nil
c) Amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act.	Nil	Nil
d) Amount of interest accrued and remaining unpaid	Nil	Nil
e) Amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises, for the purpose of disallowances as a deductible expenditure under Section 23 of MSMED Act	Nil	Nil

25.17 In accordance with approval of the Board of Directors, surplus un-disbursed funds and grants available with the Company are placed periodically in short term deposits, taking into account the Government guidelines issued for the purpose.

25.18 During the Financial Year 2015-16, the Purchase (for various projects in Rajasthan) and Sales of solar power were inclusive of Rs. 4,80,16,000/- for the period between 28.04.2015 to 15.01.2016 corresponding to the period prior to signing of Long Term Open Access agreement with CTU. As the scheduling of power could not be started for the corresponding period due to non-availability of long term open access., the matter was taken up with Rajasthan Urja Vikas Nigam Limited (RUVNL) for recovery of the amount and the recoverable amount of Rs. 4,80,16,000/- has been shown under Other Current Assets during the F.Y. 2016-17.

25.19 During the financial year, the Exceptional item of Rs. 6,49,32,500 (Previous year Nil) as shown in Profit & Loss Statement, represents SECI's one-time contribution towards the corpus of International Solar Alliance (ISA).

25.20 Due to lack of technical feasibility, the application money of Rs. 5,61,800/- (Previous year Rs. NIL) deposited with Rajasthan Renewable Energy Corporation Limited for development of 50 MW CSP Project has been written off, as the same was non-refundable. The same has been shown under the head Other Expenses in the Profit & Loss Statement.

25.21 The company has requested MNRE for appointment of Independent Directors & Women Director on the Board of the Company in accordance with the DPE guidelines & Companies Act, 2013 and the

appointment is still pending. A provision of Rs. 2,59,46,846/- towards Performance related pay (PRP) has been made in current year. The payment of the same shall be released on the approval of the Competent Authority.

- 25.22** The 'Recommendation of 3rd Pay Revision Committee (PRC) for revision of pay for executives and non-unionized supervisors in CPSEs has been submitted to the Government of India. The recommendation of pay revision is effective from 01/01/2017. The 3rd PRC recommendations are available in public domain on Department of Public Enterprises (DPE) website. Accordingly, the provision for the impact of pay revision for the period from Jan to Mar 2017 has been made keeping in view the year of implementation as FY 2017-18 and the affordability has been worked out taking the Profit Before Tax of FY 2014-15, FY 2015-16 and FY 2016-17 (provisional) after providing 15% fitment benefit on the basic pay.
- 25.23** In the opinion of the Board, all the assets other than Fixed Assets and Non-Current Investments, unless stated otherwise, have a value on realization in the ordinary course of business at least equal to the amount at which they are stated in the books of accounts.
- 25.24** Trade receivable and payable outstanding as on 31.03.17 are to the tune of Rs. 101.10 Crore and Rs. 109.47 Crore respectively., however, as per policy of the company, letter to parties having balance as on 31.12.2016 were sent for confirmation. Accordingly, out of total outstanding balance of Rs.116.84 Crore and Rs. 114.85 crore in respect of Trade receivables and payables as on 31.12.2016, balances to the tune of Rs. 98.68 crore and Rs. 110.16 crore respectively were got confirmed while the balance amount remained unconfirmed.
- 25.25** Balances of Trade Receivables and Recoverables shown under 'Current Assets' and Trade and Other Payables shown under 'Current Liabilities' include balances subject to confirmation/reconciliation and consequential adjustment, if any. Reconciliations are carried out on-going basis. Provisions, wherever considered necessary, have been made. Adjustments, if any, will be accounted for on confirmation /reconciliation of the same with the concerned parties, which in the opinion of the management will not have a material impact.
- 25.26** SECI has signed a PPA, for purchase of Solar Power from a Solar Power Developer (SPD) of 20 MW. The SPD has commissioned the project in two different phases of 10 MW each. In the absence of MNRE approval for determination of tariff and acceptance of commissioning, during the year an amount of Rs. 14.73 cr. (Previous Year Rs. 0.59 cr.) have not been accounted as purchase of power and also the corresponding sale of revenue amounting to Rs. 14.86 cr (Previous Year Rs. 0.60 cr.) have not been recognized as sales of solar power.
- 25.27** In terms of the terms of the PPA signed with the Solar Power Developers under JNNSM scheme Batch III- 2000 MW an amount of Rs. 11,78,33,523/- (Previous year Rs. NIL) has been received towards extension of Financial Closure as applicable. MNRE had issued an Office Memorandum dated 02.12.2016 for grant of extension of financial closure due date till January 31,2017 in view of the Government decision of demonetization of Currency. The said money along with Gross Interest of Rs. 9,80,212/- (Previous Year Rs. NIL) has neither been transferred to "Payment Security Fund" nor has been refunded to the Developers as the matter was referred to Empowered Committee set-up by MNRE for removing difficulty in implementation of the scheme and the decision of the Empowered Committee is pending.

25.28 In terms of Department of Investment & Public Asset Management (DIPAM) guidelines dated 27th May, 2016, the company would require to pay 5 % of the Net worth as on 31.03.17 or 30 % of Profit after Tax (PAT) for the year 2016-17, whichever is higher. The Company has sought exemption from Ministry of Finance through the administrative Ministry that is MNRE to pay dividend at the rate 30% of PAT instead of 5% of Net worth. Pending approval the company is proposing a dividend of 30 % of Profit after Tax which works out to Rs. 13,96,12,689/- & Dividend Tax thereon of Rs. 2,84,21,858/-. No provision for the same has been made during the financial year 2016-17 in line with the provisions of AS-4(Revised).

25.29 Corporate Social Responsibility Expenses (CSR)

As per Section 135 of the Companies Act, 2013 along with Corporate Social Responsibility Rules, 2014 read with DPE guidelines no. F.No. 15(13)/2013-DPE (GM), the company required to spend, in every financial year, at least two percent of the average net profits of the company made during the three immediately financial years in accordance with its CSR Policy. Based on above, the CSR amount to be spent by the company during 2016-17 is Rs. 29,01,000/- and accordingly an amount of Rs. 29,01,000/- (Previous year Rs. NIL) was contributed to "Swachh Bharat Kosh", an approved CSR fund of the Govt. of India. There is no unspent balance of CSR funds.

25.30 Effect due to changes in Accounting Policy

Due to change in Accounting Policy of revenue recognition in case of Grid connected Rooftop Projects, the expenditure incurred in excess in previous year 2015-16 as compared to revenue recognized in line with the policy is Rs. 4,76,338/-, which has resulted in reduction of profit by Rs. 4,76,338/- in current year 2016-17.

25.31 The name of the company has although been changed from Solar Energy Corporation of India to Solar Energy Corporation of India Limited but still some of the bills of expenses & Purchase of Solar power are coming in old name.

25.32 There is no event that has been taken place after the date of Balance Sheet, which has significant impact on the Financials for the year ended 31st March, 2017.

25.33 Operating Cycle

Based on the nature of activities of the Company and the normal time between acquisition of assets and their realization in cash or cash equivalents, the Company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

25.34 Details of Specified Bank Notes (SBN) held and transacted during the period 08.11.2016 to 30.12.2016:

	SBNs	Other denomination notes	Total
Closing Cash in hand as on 08.11.2016	0	0	0
(+) Permitted receipts	0	0	0
(-) Permitted payments	0	0	0
(-) Amount Deposited in Banks	0	0	0
Closing Cash in Hand as on 30.12.2016	0	0	0

25.35 Other disclosures as per Schedule III of the Companies Act, 2013

Particulars	Current year (Rs.)	Previous year (Rs.)
<u>Value of Imports calculated on CIF basis</u>		
- Capital Goods	-	-
Total	-	-
<u>Expenditure in Foreign Currency</u>		
- Travelling Expenditure	26,89,776	16,03,888
- Training Expenses	-	-
Total	26,89,776	16,03,888

25.36 Previous year's figures have been rearranged or regrouped wherever necessary to make them comparable with the current year.

For and Behalf of Board of Directors

Sd/-
 (Sunil Kumar)
 Company Secretary
 Membership No. 17693

Sd/-
 (C Kannan)
 Director (Finance)
 DIN 06458185

Sd/-
 (Dr. Ashvini Kumar)
 Managing Director
 DIN 03547234

Signed In Terms of our Audit Report of Even Date

For RSPH & Associates
 Chartered Accountants
 FR No. 003013N

Place: New Delhi
 Date: 25.07.2017

Sd/-
 (CA. Tarun Kumar Batra)
 Partner
 Membership No. 094318

SOLAR ENERGY CORPORATION OF INDIA LIMITED

(Formerly known as Solar Energy Corporation of India)

Consolidated Balance Sheet as at 31st March 2017

S.No.	PARTICULARS	Note No.	As at 31st March, 2017	As at 31st March, 2016
I	EQUITY AND LIABILITIES			
	(1) Shareholders' funds			
	(a) Share capital	2	3,04,00,00,000	2,04,00,00,000
	(b) Reserves & Surplus			
	i. Profit and Loss account	3(a)	62,64,84,056	17,14,69,726
	ii. Capital Reserve	3(b)	99,73,26,400	-
	(c) Money received against share warrants		-	-
			4,66,38,10,456	2,21,14,69,726
	(2) Deferred Revenue	3(c)	1,37,39,87,277	1,91,51,04,901
	(3) Share Application Money pending allotment		-	-
	(4) Non-current liabilities			
	(a) Long-term Borrowings	4	-	24,63,20,000
	(b) Deferred tax liabilities (Net)		5,03,26,234	4,78,52,249
	(c) Other Long term liabilities	5	3,85,13,13,648	6,40,28,769
	(d) Long-term Provisions	6	2,01,85,765	1,39,16,670
			3,92,18,25,647	37,21,17,688
	(5) Current liabilities			
	(a) Short-term borrowings		-	-
	(b) Trade payables	7	1,09,94,37,315	1,17,46,11,492
	(c) Other current liabilities	8	11,87,72,03,578	4,54,55,13,171
	(d) Short-term Provisions	9	31,37,00,049	12,82,07,925
			13,29,03,40,942	5,84,83,32,588
	TOTAL		23,24,99,64,322	10,34,70,24,903
II	ASSETS			
	(1) Non-Current Assets			
	(a) Fixed assets			
	(i) Tangible assets	10	2,26,95,74,394	77,17,72,064
	(ii) Intangible assets	10	53,50,914	38,72,650
	(iii) Capital work in progress	11	2,51,44,76,151	72,34,28,745
	(b) Non-current investments	12	-	50,00,000
	(c) Deferred tax assets (net)		-	-
	(d) Long-term loans and advances	13	1,70,65,94,942	99,11,81,939
	(e) Other non-current assets		-	-
			6,49,59,96,401	2,49,52,55,398

(2) Current assets				
(a) Current investments			-	-
(b) Inventories			-	-
(c) Trade receivables	14	1,02,06,89,679	1,34,36,26,825	
(d) Cash and Bank Balances	15	13,92,28,10,498	5,05,25,09,245	
(e) Short-term loans and advances	16	73,78,53,346	21,52,90,509	
(f) Other Current Assets	17	1,07,26,14,398	1,24,03,42,926	
		16,75,39,67,921	7,85,17,69,505	
TOTAL		23,24,99,64,322	10,34,70,24,903	
Significant Accounting Policies	1			
Notes to Accounts	2-25			

The Notes form an Integral Part of the Consolidated Financial Statements

For and on Behalf of the Board of Directors

Sd/-
 (Sunil Kumar)
 Company Secretary
 Membership No. 17693

Sd/-
 (C Kannan)
 Director Finance
 DIN 06458185

Sd/-
 (Dr Ashvini Kumar)
 Managing Director
 DIN 03547234

In Terms of our Audit Report of Even Date

For RSPH & Associates
 Chartered Accountants
 FR No. 003013N

Place : New Delhi
 Date : 25.07.2017

Sd/-
 (CA Tarun Kumar Batra)
 Partner
 Membership No. 094318

SOLAR ENERGY CORPORATION OF INDIA LIMITED

(Formerly known as Solar Energy Corporation of India)

Consolidated Statement of Profit and Loss for the year ended 31st March, 2017

S.No.	Particulars	Note No.	For the Year ended	
			2016-17	2015-16
I	Revenue from Operations	18	7,87,01,12,956	5,73,90,27,485
II	Other Income	19	13,28,42,560	5,21,97,373
III	Total Revenue		8,00,29,55,516	5,79,12,24,858
IV	Expenses:			
	a) Purchase of Solar Power & Operation & Maintenance Expenditure	20	6,77,72,18,738	5,24,74,92,331
	b) Employee Benefit Expenses	21	12,57,68,203	7,66,99,409
	c) Finance Costs	22	1,44,45,024	62,761
	d) Depreciation and Amortization expense	10	5,29,37,792	43,88,216
	e) Subcontracting Expenses		62,81,500	31,09,571
	f) Other expenses	23	22,72,53,451	13,10,64,207
	g) Prior Period Items (Net)	24	24,99,288	37,23,109
	Total Expenses		7,20,64,03,996	5,46,65,39,604
V	Profit before exceptional, extraordinary items and Tax(III-IV)		79,65,51,520	32,46,85,254
VI	Exceptional items (See Note no-25.20)		6,49,32,500	-
VII	Profit before extraordinary items and tax		73,16,19,020	32,46,85,254
VIII	Extraordinary Items		-	-
IX	Profit before tax		73,16,19,020	32,46,85,254
X	Tax expense:			
	(1) Current tax		27,31,87,001	8,58,18,565
	(2) Deferred tax Expense(Income)		24,73,985	4,78,52,249
	(3) Earlier Years/Short & Excess Provisions of Income Tax		9,52,182	-
	Profit/(Loss) from continuing operations for the period		45,50,05,852	19,10,14,440

XI XIII	Profit/(Loss) from discontinuing operations after tax		-	-
	Profit/(Loss) for the period		45,50,05,852	19,10,14,440
	Earnings Per Equity Share:			
	a. Basic		167.48	147.03
	b. Diluted		167.48	147.03
	Significant Accounting Policies	1		
	Notes to Accounts	2-25		

The Notes form an Integral Part of the Consolidated Financial Statements

For and on Behalf of the Board of Directors

Sd/-
(Sunil Kumar)
Company Secretary
Membership No. 17693

Sd/-
(C Kannan)
Director Finance
DIN 06458185

Sd/-
(Dr Ashvini Kumar)
Managing Director
DIN 03547234

In Terms of our Audit Report of Even Date

For RSPH & Associates
Chartered Accountants
FR No. 003013N

Place : New Delhi
Date : 25.07.2017

Sd/-
(CA Tarun Kumar Batra)
Partner
Membership No. 094318

SOLAR ENERGY CORPORATION OF INDIA LIMITED

(Formerly known as Solar Energy Corporation of India)

Consolidated Statement of Cash Flow for the year ended 31st March, 2017

Particulars	Year ended 31st March, 2017	Year ended 31st March, 2016
Cash Flow from Operating Activities		
Net Profit Before Tax	73,16,19,020	32,46,85,254
Adjustments For		
Add		
Depreciation and Amortisation	5,29,37,792	47,35,893
Prior Period Depreciation	1,12,228	-
Loss on sale of asset	34,579	28,231
Expenses W/o	5,61,800	-
Interest Expense	1,44,45,024	62,761
Provision for Doubtful Debts	7,98,000	-
Less		
Interest received	12,71,21,976	5,01,59,210
Profit on sale of asset	-	6,635
A. Cash flow from Operating activities		
Operating Profit Before Working Capital Changes	67,33,86,467	27,93,46,294
Adjustments for working capital:		
(Increase)/ Decrease in Trade Receivables	32,29,37,146	(1,24,32,71,421)
(Increase)/ Decrease in Other Current Assets	16,77,28,528	(1,12,81,58,608)
(Increase)/ Decrease in Loans and advances	(35,28,62,837)	(11,24,55,621)
Increase/ (Decrease) in Trade Payables	(7,51,74,177)	1,15,13,84,915
Increase/ (Decrease) in Short Term Liabilities/ Provisions	(8,84,84,399)	1,77,82,994
Increase/ (Decrease) in other Current liabilities	7,33,16,90,407	3,78,89,87,005
Increase/(Decrease) in Long Term Provisions	62,69,095	(6,21,260)
Cash generated from operations	7,98,54,90,230	2,75,29,94,299
Direct taxes paid / (refund)	17,06,52,182	8,72,89,226
Net cash flow from/(used in) operating activities	7,81,48,38,048	2,66,57,05,073

B. Cash flow from/(used in) investing activities		
Add:		
Interest received	12,71,21,976	5,01,59,210
Proceeds from sale / Adjustments of Fixed Assets	4,86,36,224	16,985
Increase/(Decrease) in Other Long Term liabilities	3,78,72,84,879	77,25,128
Increase/(Decrease) in Long term loans and advances	9,15,47,134	1,28,11,239
Increase /(Decrease) in other Non Current Assets	50,00,000	-
Less:		
Purchase of fixed assets	1,60,17,00,720	1,17,98,49,531
Advance Payment for Kidwai Nagar Building	80,69,60,137	25,38,02,162
Equity Investment in Joint Venture	-	2,50,00,000
Increase in Capital WIP	1,79,09,09,903	-
Net cash from/(used in) investing activities	(13,99,80,546)	(1,38,79,39,131)
C. Cash flow from/(used in) financing activities		-
Proceeds from issue of share capital	1,00,00,00,000	94,00,00,000
Increase / Decrease in Capital Reserve	99,73,26,400	-
Capital Grant (SECI)	(54,11,17,624)	51,20,75,000
Proceed/(repayment) of long term borrowings, net	(24,63,20,000)	24,63,20,000
Interest paid	1,44,45,024	2,52,328
Net cash from/(used in) financing activities	11,95,443,753	1,69,81,42,672
Net increase/(decrease) in cash and cash equivalents	8,87,03,01,254	2,97,59,08,613
Cash and cash equivalents at the beginning of the year	5,05,25,09,245	2,07,66,00,631
Cash and cash equivalents at the end of the year	13,92,28,10,498	5,05,25,09,245
Significant Accounting Policies	1	
Notes to Accounts	2 - 25	

The Notes form an Integral Part of the Consolidated Financial Statements

Sd/-
 (Sunil Kumar)
 Company Secretary
 Membership No. 17693

For and on Behalf of the Board of Directors

Sd/-
 (C Kannan)
 Director Finance
 DIN 06458185

Sd/-
 (Dr Ashvini Kumar)
 Managing Director
 DIN 03547234

In Terms of our Audit Report of Even Date

For RSPH & Associates
 Chartered Accountants
 FR No. 003013N

Place : New Delhi
 Date : 25.07.2017

Sd/-
 (CA Tarun Kumar Batra)
 Partner
 Membership No. 094318

Notes to the Consolidated Financial Statements for the Year ended 31st March, 2017

1. Significant Accounting Policies

1.1 Basis of preparation of Accounts:

These Consolidated financial statements relates to Solar Energy Corporation of India Limited and its Jointly Controlled Entities (Collectively referred to as 'The Group' in the financial statements) have been prepared on accrual basis of accounting under historical cost convention to comply in all material aspects with generally accepted accounting principles in India, the provisions of the Companies Act, 2013 (to the extent notified and applicable), and the applicable Accounting Standards prescribed under Section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 to the extent applicable.

The accounting policies have been consistently applied by the Group and are consistent with those used in previous year except for the change in accounting policy explained in Note 25.31 as adopted by the Group. Certain accounting policies have been reworded/re-classified for the purpose of better disclosure which has no impact on profits of the Group.

1.2 Principles of Consolidation:

The consolidated financial statements relate to Solar Energy Corporation of India Limited and its Jointly Controlled Entities (collectively referred to as "the Group"). The financial statements of the Jointly Controlled Entities used in the consolidation are drawn up to the same reporting date as of the Solar Energy Corporation of India Limited (except for the financial statements of Renewable Power Corporation of Kerala Limited which has been consolidated since the Joint Venture's first Accounting year has been for the period 15.01.2016 to 31.03.2017). The consolidated financial statements have been prepared on the following basis:

- 1.2.1 The financial statements of the Solar Energy Corporation of India Limited and the joint ventures (on a proportionate basis) have been combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after eliminating intra-group balances, intra-group transactions and the unrealized profits / losses in accordance with Accounting Standard – 27, "Financial Reporting of Interests in Joint Ventures", prescribed under Section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 to the extent applicable.
- 1.2.2 As far as possible, the consolidated financial statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances and presented in the same manner as the Solar Energy Corporation of India Limited's separate financial statements by regrouping, recasting or rearranging figures, wherever considered necessary. Material inter-group inconsistencies the effect of which cannot be quantified are as specified in Accounting Policy No. 1.5.1.1, 1.11.12 and 1.17.7.
- 1.2.3 The excess of cost to the Group of its investment in Jointly Controlled Entities, on the acquisition dates over and above the Group's share of equity in the joint venture entities, is recognized as

'Goodwill on Consolidation' being an asset in the consolidated financial statements. On the other hand, where the share of equity in Jointly Controlled Entities as on the date of investment is in excess of cost of investments of the Group, it is recognized as 'Capital Reserve' and shown under the head 'Reserves and Surplus' in the consolidated financial statements.

1.3 Use of estimates:

The preparation of Consolidated financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent liabilities on the date of the financial statements and the results of operations during the reporting period. Although these estimates are based upon the management's best knowledge of current events and actions, actual results could differ from these estimates. Differences between actual results and estimates are recognized prospectively in the period(s) in which they materialize.

1.4 Fixed Assets:

- 1.4.1 Tangible Assets are stated at historical cost less accumulated depreciation and impairment losses, if any.
- 1.4.2 Cost of acquisition is inclusive of purchase price, import duties and other non-refundable taxes or levies and any other directly attributable costs, interest during construction, duties, freight, installation and allocated incidental expenditure during construction/acquisition attributable to bringing the assets to their working condition for their intended use.
- 1.4.3 Intangible assets are stated at their cost of acquisition less accumulated amortization and impairment losses, if any.
- 1.4.4 In case of assets where final settlement of bills with contractors is yet to be effected but the asset is complete and ready to use, capitalization is done on provisional basis subject to necessary adjustments in the year of the final settlement.

1.5 Capital Work in progress

- 1.5.1 Capital work-in-progress is carried at cost. Cost of material consumed, erection charges thereon including depreciation on fixed assets in use incurred during construction along with other related expenses incurred for the projects are carried as part of "Expenditure during construction period" under the head - Capital work-in-progress till the date of capitalization, to be allocated on major assets on commissioning of projects.
 - 1.5.1.1 Preliminary expenses, administration and other general overhead expenses are being transferred to "Expenditure during construction period" under the head Capital work-in-progress till the date of capitalization by the jointly controlled entities.
 - 1.5.2 Expenditure of corporate office and other administrative and general overheads, attributable to construction of fixed assets are identified and allocated on a systematic basis to the cost of the related assets.
 - 1.5.3 Interest income on deposits earned during construction period is set off from the Capital work-in-progress.

- 1.5.4 In respect of supply-cum-erection contracts, the value of supplies received at site and accepted is treated as Capital work-in-progress.
- 1.5.5 The cost of fixed assets not ready for their intended use before such date is disclosed under capital work in progress.
- 1.5.6 Claims for price variation/exchange rate variation in case of contracts are accounted for on acceptance.

1.6 Depreciation and Amortization

- 1.6.1 Depreciation on tangible assets of Power generating Units of the Company is charged to the Statement of Profit & Loss on straight-line method following the rates and methodology as notified by CERC for the fixation of tariff.
- 1.6.2 Leasehold Land is amortized over the period of lease on a straight line basis.
- 1.6.3 Depreciation on assets other than the assets specified in Policy No. 1.6.1 and 1.6.2 & 1.6.4 is provided on straight line method following the useful life specified in the Schedule II of Companies Act, 2013.
- 1.6.4 Depreciation is computed on Intangible Assets on straight line basis over a period of 5 years in accordance with Accounting Standard 26 on Intangible Assets.
- 1.6.5 Depreciation/amortization is provided on pro rata basis from/up to the date on which the asset becomes available to use/is disposed off.
- 1.6.6 Depreciation on assets declared surplus/ obsolete is provided till the end of the month in which such declaration is made.
- 1.6.7 Assets costing Rs 5,000 or less are fully depreciated in the year of acquisition on account of materiality.

1.7 Capital Grant/Central Financial Assistance

- 1.7.1 Grants/Central financial assistance received from SECI (Solar energy Corporation of India Limited) under the scheme of MNRE (Ministry of New and Renewable Energy) received by the joint venture has been treated as under: -
 - 1.7.1.1 CFA/Grants (to the extent of Cost of Land (Free Hold)):- The CFA/Grants has been transferred to "Capital Reserves"
 - 1.7.1.2 Balance CFA/Grants (including lease hold land (other than Cost of Land (Free Hold)):- The CFA/Grants has been transferred to Deferred Revenue which is shown separately on the liabilities side of the Balance Sheet, below the Reserve & Surplus & above Non-current liabilities.
- 1.7.2 On capitalization of Solar Park assets, the CFA classified as Deferred revenue shall be recognized as Income in the statement of Profit & Loss Account in proportionate to the depreciation/amortization provided over the useful life of the Solar Park Assets.
- 1.7.3 Grants/Central Financial Assistance related to Revenue Expenditure has to be recognized as Revenue receipt and to be shown separately in the Statement of Profit & Loss.

1.8 Investments

- 1.8.1 Long term Investments are carried at cost. Provision for diminution is made to recognize a decline, other than temporary, in the value of such investments.
- 1.8.2 Current investments are valued at lower of cost and fair value determined on an individual investment basis.

1.9 Borrowing Costs

Borrowing Costs that are attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. All other borrowing costs are recognized as an expense in the period in which they are incurred.

1.10 Inventories

Inventories are valued at lower of cost and estimated net realizable value.

1.11 Revenue and Expenditure Recognition

Revenue and expenses are accounted on the basis of accrual method of accounting except for certain incomes and expenses which are accounted on receipt/payment basis as stated in 1.11.1, 1.11.5 & 1.11.9 disclosed below.

1.11.1 Purchase and Sale of Solar Power

Revenue from sale of power is recognized on the basis of terms and conditions of Power Sale Agreements (PSA) with the State Buying Utilities and as per rates agreed with the customers. The Units (KWh) are recognized on the basis of Joint Meter Reading / State Energy Accounting (JMR)/(SEA) in case of Intra State power sale and Regional Energy Accounting (REA) in the case of Inter State transaction for raising of invoices to DISCOMS / Buying Utilities.

Purchase of energy is accounted for on the basis of Joint Meter Reading /State Energy Accounting/Regional Energy Accounting (JMR/SEA/REA) as per the terms of Power Purchase Agreements (PPA) executed with Solar Power Developers (SPDs).

Purchase and Sales transaction are reconciled at regular intervals in order to reconcile with the units traded.

As per terms of PSAs, the surcharge on late payment leviable on DISCOMS for sale of energy is recognized on receipt basis and similarly as per terms of PPAs, the surcharge on late payment is accounted on the basis of recovery from the DISCOMS.

Any charges levied by Regional Load Dispatch Centre(RLDC)/ State Load Dispatch Centre(SLDC)/Central Transmission Utility (CTU)/ State Transmission Utility (STU) which have been received from respective agency during the year has been recovered/passed on to SPD's/DISCOM as applicable as per terms of PPAs / PSAs and such charges are being accounted for on receipt/ payment basis except Transmission Charges.

- 1.11.2 In accordance with the Government Guidelines regarding 5000 MW Grid-Connected Solar PV Power Projects with VGF under Batch-IV of Phase-II of National Solar Mission (NSM) vide No. 32/3/2014-15/GSP dated 14.03.2016, the Payment Security Fund (PSF) has been set up in order

to ensure timely payment to the developers. PSF will gradually enhanced to cover three VGF schemes i.e. 750 MW, 2000 MW & 5000 MW. The money received from encashment of BGs, interest earned on this fund, incentives for early payment and the grants from Government/National Clean Energy Fund (NCEF) will be used to build this fund. Any charges incurred by SECI on account of litigation related to implementation of the scheme shall be charged to this account. The expenses on account of short term open access charges, UI charges, fund requirement for furnishing security deposits in the form of Bank Guarantee/LCs to STUs in accordance with BPTA or associated charges etc. may be utilised from PSF. The Guidelines for utilization of the Fund are as follows:

PSF will be utilized for the following purposes.

- a. To make timely payment to Solar Project Developers in case of delay in realizing the payment from the buying utilities.
- b. For providing security in the form of Letter of Credit/Bank Guarantee for the purpose of obtaining long term open access, transmission charges etc. not envisaged at the of signing of PSA/PPA and applicable charges as per Bulk Power Transmission Agreement (BPTA) signed with CTU/STU in line with the applicable regulations.
- c. To make the differential payment to the developers from the agreed PPA rate in case of short recovery of tariff from the buying utilities based on average pool pricing due to policy/regulatory issues and transmission evacuation/open access constraints etc.
- d. To make the payment on account of short term open access charges, Deviation Settlement Mechanism (DSM) charges, as per applicable regulations.
- e. Any charges on account of litigations and arbitration awards, etc. related to implementation of the scheme including issues arising out of operational difficulties of PPA/PSA/VGF Securitization.

As per terms of PPA signed with various SPDs there are some cases in which tariff payable has been reduced below Rs 5.45/kWh. Any amount of reduction in purchase of solar power due to reduction in tariff is being directly credited to the PSF.

In case of short recovery of tariff from the buying utilities/DISCOMs based on average pool pricing due to policy/regulatory issues and transmission-evacuation/open access constraints etc., the differential payment to the developers from the agreed PPA rate is debited to PSF directly.

- 1.11.3 Any difference arising in units of sales and purchase of Power due to State Energy Accounting (SEA)/ Regional Energy Accounting (REA)/ Joint Meter Reading (JMR) is properly dealt with in the accounts. In case of excess of sold units over purchased units, the difference is credited to PSF. In case of excess of purchased units over bills raised to DISCOMs, the same is recovered from the SPDs.

Any excess amount recovered from SPD/DISCOM due to difference of basis of Invoice raised by/to SPD/DISCOM and amount paid to RLDC/SLDC/CTU/STU, has been Credited to PSF.

- 1.11.4 Revenue from consultancy services is recognized proportionately with the degree of completion of services in line with the terms of respective consultancy contracts. In respect of cases where ultimate collection with reasonable certainty is lacking at the time of claim, recognition is postponed till collection is made.

1.11.5 Revenue recognition in case of Grid-connected Rooftop Projects

MNRE provides 3% of Central Financial Assistance (CFA) in respect of Rooftop Projects towards Publicity, Orientation, Awareness Programme, Workshops, Field Visits, Monitoring and Technical guidance etc.

Revenue from Project monitoring and Technical Guidance in respect of Rooftop Projects – Grid/Off Grid is recognized for on the basis of the following mentioned progress stages of projects:

Stage	% of Allocation	Cumulative % of Allocation
Allocation	1.50%	1.50%
Sanction	0.25%	1.75%
Commissioning	0.25%	2.00%
Operation & Maintenance - I Year	0.50%	2.50%
Operation & Maintenance - II Year	0.50%	3.00%
	3.00%	

The actual expenditure incurred towards Publicity, Orientation, Awareness Programme, Workshops and Field visits is deducted from the revenue recognized above and the net income is disclosed. In case the expenditure incurred are in excess during the year as compared to revenue recognized in line with the policy, the same is adjusted out of the revenue recognized, in the subsequent year.

The service charges received/receivable from the developer under Rooftop Projects in respect of the above are being recognized as income in the year in which the project capacity is sanctioned. The interest charges on the late payment of service charges, Liquidated damages & Forfeiture of PBG are accounted on receipt basis.

- 1.11.6 Fund handling charges under various MNRE Schemes are recognized as income in proportion to funds disbursed as per sanction letter issued by MNRE.
- 1.11.7 The Success fee @0.2% of estimated capital cost in respect of the solar power project under 2000 MW & 5000 MW State specific Scheme is being charged from the Solar Power Developers. 90% of 0.2% is recognized as income at the time of issuance of LOI based on the completion of various activities/services rendered as per technical estimates and balance 10% of 0.2% is recognized at the time of commissioning of Solar Power Projects
- 1.11.8 Revenue recognition under Construction Contracts

Contract Revenue represents the cost of work performed on the contract plus proportionate

margin using the percentage of completion method. Percentage of completion is determined as a proportion of cost of work performed to date to the total estimated contract costs.

Project and construction related work in progress is reflected at cost till such time the outcome of the job cannot be ascertained reliably and at realizable value thereafter.

In case of contracts where the contract costs exceed the contract revenues, the anticipated loss is recognized immediately.

1.11.9 Escalation and extra works not provided for in the contract with client, claims arising out of arbitration awards and insurance claims are accounted for on receipt basis.

1.11.10 Liquidated damages arising from contractual obligations in respect of contracts under dispute/negotiation and not considered payable/receivable are not accounted for till final settlement.

1.11.11 One Time Upfront Development Charges:

One-time upfront Development charges collected from the Developers for development of Solar Park are treated as Advance from Customers till the Solar Park is developed and Capitalized & the same is recognized/classified under the head Non-Current Liabilities. The one-time development charges are recognized as income in the Profit & Loss Account on proportionate basis over the lease period with the Developer (Upfront fee/No. of years of lease period) after Capitalization of Fixed Assets (i.e. Solar Park Asset).

The balance in the upfront development charges are shown as follows:

Proportionate one-year upfront development charges are shown under the head current liabilities and the balance amount (i.e. Remaining lease period – 1) is shown under non-current liabilities.

1.11.12 In respect of Solar Parks established /to be established by the Joint Venture Entities

1.11.12.1 In case of Andhra Pradesh Solar Power Corporation Private Limited

Income from Lease Rentals and Income from O&M (Operations & Maintenance) is recognized by when Income is assured and determinable under the terms of the respective contract/agreement whereas.

Revenue in the form of Project Development in relation to development work of potential power projects is recognized when such fees is assured and determinable under the terms of the respective contract.

Sale of energy is recognised on accrual basis in accordance with the relevant agreements. Interest is recognised using the time proportionate method, based on the underlying interest rates.

1.11.12.2 In case of Karnataka Solar Power Corporation Private Limited

Revenue income will be accounted on the basis of accrual method of accounting from the following:

- Upfront fee from Solar Power Developers with all applicable taxes.
- Annual Land Lease charges from Solar Power Developers with applicable taxes.
- Annual O & M Charges with applicable taxes.
- Grants from MNRE.

The revenue will be received and accounted after establishment of Solar Power Project.

Revenue from interest on bank deposits is recognized and accounted as and when received and the same has been reduced from expenditure accounted under capital work in progress.

1.12 Taxes on Income

- 1.12.1 Provision for Current Income Tax is determined on the basis of taxable income in accordance with the provisions of the Income Tax Act, 1961.
- 1.12.2 Deferred tax is recognized, subject to the consideration of prudence, on timing differences, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods, and is quantified using the tax rates and laws enacted or substantively enacted as on the Balance Sheet date.

1.13 MAT Credit

MAT credit is recognized as an asset only when and to the extent there is convincing evidence that the company will pay normal income tax during the specified period. In the year in which the MAT credit becomes eligible to be recognised as an asset in accordance with the recommendations contained in Guidance Note issued by the Institute of Chartered Accountants of India, the said asset is created by way of a credit to the statement of profit and loss and shown as MAT Credit Entitlement. The Company reviews the same at each balance sheet date and writes down the carrying amount of MAT credit entitlement to the extent there is no longer convincing evidence to the effect that Company will pay normal Income Tax during the specified period.

1.14 Impairment of Assets

An asset is treated as impaired when the carrying cost of the assets exceeds its recoverable amount. An impairment loss is charged to the Statement of Profit and Loss account as an exceptional item in the year in which an asset is identified as impaired.

1.15 Foreign Currency Transactions

1.15.1 Initial Recognition

Foreign currency transactions are initially recorded at the rate of exchange prevailing on the date of transaction.

1.15.2 Conversion

Foreign Currency monetary items are translated with reference to the rates of exchange prevailing on the date of the Balance Sheet. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate prevailing

on the date of transaction and non- monetary items which are carried at fair value or similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the values were determined.

1.15.3 **Exchange Difference**

Exchange difference arising on settlement of monetary items or on reporting company's monetary items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognized as income or as expense in the year in which they arise.

1.16 **Provision, Contingent Liabilities & Contingent Assets**

A provision is recognized when the company has a present obligation as a result of a past event and 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. Provisions are determined based on management estimate required to settle the obligation at the balance sheet date and are not discounted to present value. Contingent liabilities are disclosed on the basis of judgement of the management. These are reviewed at each balance sheet date and are adjusted to reflect the current management estimate. Contingent assets are neither recognized, nor disclosed in the financial statements.

1.17 **Employees Benefits**

Employee benefits, inter-alia include provident fund, pension, gratuity, leave benefits and post-retirement benefits.

- 1.17.1 **Defined contribution plans** - Company's contribution paid/payable during the year to Provident Fund and Pension Fund is recognized in the Statement of Profit and Loss on accrual basis.
- 1.17.2 **Defined Benefit plans** - Company's liability towards gratuity, leave benefits, post-retirement benefits is determined on the basis of actuarial valuation at the end of financial year using the projected unit credit method. Actuarial gains and losses are recognized in the Statement of Profit and Loss in the year of its occurrence.
- 1.17.3 Short term employee benefits are recognised as an expense at the undiscounted amount in the Statement of Profit and Loss for the year in which the related services are rendered.
- 1.17.4 Liability in respect of gratuity, leave encashment and provident fund of employees on deputation with the Company are accounted for on the basis of terms and conditions of deputation of the parent organizations.
- 1.17.5 Eligible employees receive benefits from a provident fund, which is a defined contribution scheme. Both the employee and the Company make monthly contributions to the provident fund plan equal to a specified percentage of the covered employee salary. The contribution made by the Company is charged to the Statement of Profit and Loss.
- 1.17.6 (i) In accordance to the Payment of Gratuity Act, 1972, the Company provides for the gratuity, a defined benefit retirement plan ("the gratuity plan") covering the eligible employees. The

gratuity plan provides for a lump sum payment to the vested employees at retirement, death, incapacitation or termination of the employment, of an amount based on the respective employee salary and the tenure of the employment with the Company.

Liabilities with regard to the gratuity plan are determined by independent actuary.

- (ii) The Company recognizes the net obligation of the gratuity plan in the Balance Sheet as an asset or liability, respectively in accordance with Accounting Standard (AS) 15, "Employee Benefits".
- (iii) Actuarial gains or losses arising from experience adjustments and changes in actuarial assumptions are recognized in the Statement of Profit and loss.
- (iv) Liability in respect of gratuity, leave encashment and provident fund of employees on deputation with the Company are accounted for on the basis of terms and conditions of deputation of the parent organizations.

1.17.7 In case of Karnataka Solar Power Development Corporation Limited. :

The officers working in KSPDCL are deputed from Karnataka Power Transmission Corporation Ltd., The retirement benefits to Employees / Officers comprises contributions to Gratuity / Pension / Leave and also Leave encashment. Provision for Pension / Gratuity / Leave Contribution is based on actuarial valuation, the provision is made based on Basic pay, Dearness pay and Dearness allowance at Fixed percentage basis (Pension : 33.02%, Gratuity: 6.06%, Leave : 11%). In respect of leave encashment, the company gets reimbursement of Leave salary paid to Employees / Officers, taking into account the actual leave credits of all the Officers.

1.18 Leases

- 1.18.1 Assets acquired on lease where a significant portion of the risk and rewards of the ownership is retained by the Lessor are classified as Operating Lease. Lease Rentals are charged to revenue over the lease term on the basis of lease agreements. Initial Direct Costs are charged to the Statement of Profit and Loss in period in which the same are incurred.
- 1.18.2 Land Lease payments in respect of Solar Parks established by the Joint Venture Entities are considered as capital expenditure during initial period till the Solar Park is established and accordingly, the cost is accounted under Capital work-in-progress.

1.19 Cash Flow Statement

Cash Flow Statement is prepared in accordance with the indirect method prescribed in the relevant Accounting Standard.

1.20 Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted earnings per shares, the net profit or loss for the year attributable to equity shareholder and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

1.21 Segment Reporting

The accounting policy adopted for segment reporting are in line with the accounting policies of the company. Segment revenue, segment expenses, segment assets & liabilities are identified on the basis of their relationship to the operating activities of the segment. Revenue, expenses, assets & liabilities which relate to the company as a whole and not allowable to segment on reasonable basis are included under unallocated revenue/Expenses/assets/liabilities.

1.22 Prepaid & Prior Period Expenses

Prepaid expenses and prior period expenses/income of each item of Rs. 100,000/- and below are charged to natural heads of accounts in the year of payment/receipt.

SOLAR ENERGY CORPORATION OF INDIA LIMITED

(Formerly known as Solar Energy Corporation of India)

Notes Forming Part of the Consolidated Financial Statements

NOTE 2: Share Capital

Share Capital	As at 31.03.2017		As at 31.03.2016	
	Number	Amount	Number	Amount
Authorised				
Equity Shares of Rs1000 each	2,00,00,000	20,00,00,00,000	2,00,00,000	20,00,00,00,000
Issued & Subscribed *				
Equity Shares of Rs1000 each	60,00,000	6,00,00,00,000	60,00,000	6,00,00,00,000
Fully paid up				
Equity Shares of Rs1000 each	30,40,000	3,04,00,00,000	20,40,000	2,04,00,00,000
Total	30,40,000	3,04,00,00,000	20,40,000	2,04,00,00,000

* The Subscribers to the Memorandum and Article of Association had undertaken to subscribe 60,00,000 Equity Shares of Rs. 1000 each out of which 30,40,000 Equity Shares of Rs. 1000 each have been subscribed and fully paid up.

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

Particulars	As at 31.03.2017		As at 31.03.2016	
	Number	Amount	Number	Amount
Shares outstanding at the beginning of the year	20,40,000	2,04,00,00,000	10,33,500	1,03,35,00,000
Shares Issued during the year	10,00,000	1,00,00,00,000	10,06,500	1,00,65,00,000
Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	30,40,000	3,04,00,00,000	20,40,000	2,04,00,00,000

B. The Company has issued only one kind of equity shares with voting rights proportionate to the share holding of the shareholders. These voting rights are exercisable at meeting of shareholders. The holders of the equity shares are also entitled to receive dividend as declared from time to time for them.

C. Details of shareholders holding more than 5% shares in the company

Name of Shareholder	As at 31.03.2017		As at 31.03.2016	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
President of India	30,40,000	100	20,40,000	100

D. In preceding five financial years immediately preceding 31.03.2017, Company has not allotted any equity share as fully paid up pursuant to contract(s) without payment being received in cash/ not allotted any equity share as fully paid up by way of bonus share(s)/not bought back any shares.

SOLAR ENERGY CORPORATION OF INDIA LIMITED

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Notes Forming Part of the Consolidated Financial Statements

Note 3 (a) : Profit And Loss Account

Particulars	As at 31st March, 2017	As at 31st March, 2016
Surplus/(deficit) in Statement of Profit and Loss		
Balance as at beginning of the year	17,14,69,726	65,30,611
Add: Profit/ Loss for the year	45,50,05,852	19,10,14,440
Add : Adjustment of Corporate Dividend & Tax	8,478	-
Less: Transfer to Grant Account for the previous year	-	(30,85,276)
Amount available for appropriations :	62,64,84,056	19,44,59,775
Appropriations :		
Less : Proposed Dividend (Previous Year Rs. 9.36/-)*	-	(1,91,01,444)
Less: Tax on Proposed Dividend*	-	(38,88,605)
Net Surplus / (Deficit) in the statement of Profit & Loss	62,64,84,056	17,14,69,726

* See Note No. 25.29, No Provision for proposed dividend & Tax on Proposed Dividend has been made in accordance with AS-4(Revised).

Note 3 (b) : Capital Reserve

Particulars	As at 31st March, 2017	As at 31st March, 2016
Financial Assistance under MNRE scheme (To the extent utilised to acquire freehold land)	99,73,26,400	-
Closing Balance	99,73,26,400	-

Note 3 (c) : Deferred Revenue

Particulars	As at 31st March, 2017	As at 31st March, 2016
Central Financial Assistance under MNRE scheme		
Total CFA received upto this Financial Year	2,37,18,40,000	1,91,51,04,901
Total DPR Grants Received upto this Financial Year	42,38,424	-
Less: Transferred to Capital reserve	99,73,26,400	-
Less: Proportionate income for this year	47,64,748	-
Closing Balance	1,37,39,87,277	1,91,51,04,901

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Notes Forming Part of the Consolidated Financial Statements

Note 4 : Long Term Borrowings

Particulars	As at 31st March, 2017	As at 31st March, 2016
Secured		
Term Loan from State Bank of India (Interest- 9.30% p.a. (floating at Base Rate of SBI), Repayment starting from 30.06.2017 (after expiry of 1 year of moratorium period) in 56 equal quarterly instalments of Rs. 87.5 Lakhs each. Secured by hypothecation and mortgage by first charge on the fixed assets (moveable & immoveable), receivables and accounts, both present and future related to the 10MW Solar PV plant at Badi, Rajasthan of the company)	-	24,63,20,000
Total	-	24,63,20,000

The company has been sanctioned Non Fund Facility of Rs. 50 crore from HDFC Bank Limited against hypothecation of all present and future receivables.

The company has been sanctioned Non Fund Facility of Rs. 50 crore from SBI against hypothecation of all present and future current assets, securities and receivables.

Note:- The Company has fully repaid the term loan during the year

Note 5 : Other Long Term Liabilities

Particulars	As at 31st March, 2017	As at 31st March, 2016
Security Deposit	76,42,378	77,25,128
Capital Creditors	-	5,63,03,641
(i) Advances from Customers*		
One time development charges - N.P. Kunta	20,13,48,422	
One time development charges - Kurnool	2,10,00,00,000	-
One time development charges - Galiveedu	21,00,00,000	-
One time development charges (Upfront) received From SPDs	1,13,98,50,000	-
Advance Annual Land Lease Charges for FY 2017-18 received from SPDs	80,22,849	-
Advance from NTPC	18,44,50,000	-
Total	3,85,13,13,648	6,40,28,769

(*Refer Accounting policy no 1.11.11)

SOLAR ENERGY CORPORATION OF INDIA LIMITED

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Notes Forming Part of the Consolidated Financial Statements

Note 6 : Long Term Provisions

Particulars	As at 31st March, 2017	As at 31st March, 2016
Provision for Earned Leaves	70,33,823	49,34,407
Provision for Half Pay Leaves	28,10,752	21,75,544
Provision for Gratuity	47,12,581	29,46,157
Provision for other Post Retirement Benefits	39,11,888	28,99,076
Provision for Post Retirement Medical Scheme	17,16,721	9,61,486
Total	2,01,85,765	1,39,16,670

Note 7 : Trade Payables

Particulars	As at 31st March, 2017	As at 31st March, 2016
Trade Payables	1,09,94,37,315	1,17,46,11,492
Total	1,09,94,37,315	1,17,46,11,492

Note 8 : Other Current Liabilities

Particulars	As at 31st March, 2017	As at 31st March, 2016
(i) Security Deposit from NTPC for development of 250MW Solar Project		25,00,00,000
(ii) Duties & Taxes	2,55,60,271	1,49,01,659
(iii) Other Payables	1,65,40,11,027	22,03,65,180
(iv) One Time Development Charges - N.P. Kunta (to the extent reversable in 12 Months)	86,95,652	-
(v) Subsidy for Disbursement	7,32,01,15,846	2,46,23,34,249
(vi) Grant received from MNRE	49,96,182	1,28,338
(vii) Advance from Clients	6,72,58,796	6,19,85,320
(viii) Security Deposit	1,82,90,470	2,21,29,585
(ix) Extension Money From Developers	11,88,13,735	-
(x) Purchase of Solar Power Payables (Payable in respect of Solar Power Purchase)	70,28,67,105	67,23,02,985
(xi) Payment Security Fund (See Accounting Policy No. 1.11.2 & 1.11.3)	1,95,65,94,494	84,13,65,856
Total	11,87,72,03,578	4,54,55,13,171

SOLAR ENERGY CORPORATION OF INDIA LIMITED

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Notes Forming Part of the Consolidated Financial Statements

NOTE 8.1 : Payment Security Fund

Particulars	As at 31st March, 2017	As at 31st March, 2016
Balance as at beginning of the year	84,13,65,856	5,36,00,900
Addition during the year	1,11,70,13,828	83,62,39,402
Adjustments during the year	(17,85,190)	(4,84,74,446)
Total	1,95,65,94,494	84,13,65,856

Note 9 : Short Term Provisions

Particulars	As at 31st March, 2017	As at 31st March, 2016
Provision for Income Tax	27,31,87,001	8,58,18,565
Provision for Doubtful Debts	7,98,000	-
Provision for Earned Leaves	10,82,527	12,47,808
Provision for Half Pay Leaves	3,78,763	2,72,022
Provision for Gratuity	34,694	53,272
Provision for Post Retirement Medical Scheme	2,706	2,071
Provision for Deputation Employee Benefits	15,51,539	11,93,165
Provision for Performance Related Pay & Ex-gratia	2,59,46,846	1,64,00,000
Provision for 3rd Pay Revision	1,07,17,973	-
Proposed Dividend Payable (See Note No. 25.29)	-	1,91,01,444
Provision for Corporate Dividend Tax Payable (See Note No. 25.29)	-	38,88,605
Provision for Pension		2,30,974
Total	31,37,00,049	12,82,07,925

Solar Energy Corporation of India Limited
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Consolidated Fixed Assets as on March 31, 2017

Note 10 : Fixed Assets

Particulars	Gross Block			Depreciation			Net Block		
	As at 1st April, 2016	Additions	(Deletions)/ Adjustments	As at 31st March, 2017	For the year	Debited to Capital WIP	(Deletions)/ Adjustments	As at 31st March, 2017	As at 31st March, 2016
Tangible Assets									
Freehold Land	15,56,47,817	65,43,22,775	(5,77,75,451)	75,21,94,511	-	-	-	75,21,94,511	15,56,47,817
Patna Lands	-	47,94,78,502	-	47,94,78,502	-	-	-	47,94,78,502	-
Assigned Lands	1,92,87,300	-	-	1,92,87,300	6,42,910	-	-	1,99,30,210	1,90,53,205
Leasehold Land	22,34,039	23,54,725	2,86,732	48,75,496	2,31,149	1,25,743	30,781	42,04,951	19,51,167
Electric arc fixtures	18,34,320	16,93,857	-	35,28,177	3,57,730	147,215	-	36,80,677	32,80,962
Motor Vehicles	57,68,11,768	1,50,46,842	58,23,074	59,76,80,674	930	3,635	-	60,29,03,446	57,67,19,878
Plant & Machinery	47,15,103	50,02,582	5,40,912	1,02,58,597	17,79,077	2,06,505	8,553	70,93,541	29,59,413
Office equipment	5,64,543	13,343	-	6,37,886	1,81,439	-	-	3,44,000	4,52,096
Computer -	56,63,836	18,16,911	50,040	75,19,785	13,81,434	1,71,895	(48,639)	27,77,974	24,16,717
Func User Device	1,00,435	2,65,262	3,01,022	6,66,769	93,568	-	-	496,507	65,315
Computer -	81,087	-	-	81,087	17,302	-	-	68,330	85,632
Servcs & Network	-	11,17,084	-	11,17,084	1,551	-	-	11,15,534	-
Office Mobile	-	-	-	-	-	-	-	-	-
Buildings	373	-	3,71,963	3,72,341	-	27,705	3,782	3,46,951	373
Solar P/V	-	29,32,47,836	-	29,32,47,836	99,85,872	-	-	28,32,61,963	-
Transmission	-	-	-	-	-	-	-	-	-
System -	71,41,553	12,68,388	9,89,773	84,20,168	5,17,238	-	-	88,81,181	71,40,415
NP K. Tia	-	1,10,342	-	1,10,342	2,378	-	-	1,07,964	-
Buildings	-	-	-	-	-	-	-	-	-
Street Lights -	-	8,89,56,743	-	8,89,56,743	5,63,410	-	-	8,83,93,333	-
NP K. Tia	-	-	-	-	-	-	-	-	-
Road - NP	-	5,44,89,211	-	5,44,89,211	9,68,081	-	-	6,36,21,160	-
Kunta	-	-	-	-	-	-	-	-	-
Water Storage	-	-	-	-	-	-	-	-	-
Leases -	-	-	-	-	-	-	-	-	-
NP K. Tia	-	-	-	-	-	-	-	-	-
Sub Total(i)	78,01,32,189	1,59,92,41,800	(4,94,11,950)	2,32,99,62,028	52,443	6,76,706	(5,523)	2,26,95,74,394	77,17,72,064
Intangible Assets									
IPR (LTA License)*	9,01,800	-	-	9,01,800	1,97,323	-	-	5,91,968	7,89,290
LOGO	25,000	-	-	25,000	-	5,000	-	5,000	20,000
Website	51,87,368	27,58,920	7,38,551	86,84,247	14,86,582	17,607	3,217	47,43,946	50,63,360
Software									
Sub Total(ii)	61,21,168	24,58,920	7,38,551	93,18,940	59,786	22,601	3,217	53,50,914	38,72,650
Total(i+ii)	78,62,53,357	1,60,17,00,720	(4,86,73,109)	2,48,41,747	1,12,229	6,99,307	(2,306)	2,27,49,25,308	77,56,44,714
Previous Year	2,72,67,893	75,91,02,416	(1,16,951)	78,62,53,358	3,109	-	(78,370)	1,06,08,644	-
* License agreement is for 25 years									

* License agreement is for 25 years

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Notes Forming Part of the Consolidated Financial Statements

Note 11 : Capital Work - In - Progress

Particulars	As at 31st March, 2017	As at 31st March, 2016
Expenditure Pending allocation		
Registration charges	100,000	5,61,800
Capital Work in progress (Joint Ventures Companies)	2,51,43,76,151	72,28,66,945
Total	2,51,44,76,151	72,34,28,745

Note 12 : Non-current investments

Particulars	As at 31st March, 2017	As at 31st March, 2016
Trade Investment in Equity Shares, fully paid up (Unquoted)		
(50% equity shares (5,000 shares of Face Value of Rs. 1000 each) in Joint Venture Company - Renewable Power Corporation of Kerala Limited, valued at cost)	-	50,00,000
Total	-	50,00,000

Note 13 : Long Term Loans And Advances

Particulars	As at 31st March, 2017	As at 31st March, 2016
Secured, considered good		
Advance to Contractor	-	1,18,34,415
Unsecured, considered good		
Capital Advances (Include a sum of Rs 1,64,22,18,245 (Previous Year 83,52,58,108/-) for Purchase of office Space from NBCC)	1,64,26,80,148	95,33,54,613
Security deposits	3,98,31,796	3,54,200
TDS Recoverable	2,40,82,998	2,56,38,711
Total	1,70,65,94,942	99,11,81,939

SOLAR ENERGY CORPORATION OF INDIA LIMITED

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Notes Forming Part of the Consolidated Financial Statements

Note 14 : Trade Receivables

Particulars	As at 31st March, 2017	As at 31st March, 2016
Trade receivables outstanding for a period less than six months from the date they are due for payment		
-Unsecured, Considered good	96,07,97,441	1,34,15,17,446
Trade receivables outstanding for a period exceeding six months from the date they are due for payment		
-Unsecured, Considered good	5,98,92,238	21,09,379
Total	1,02,06,89,679	1,34,36,26,825

Note 15 : Cash and Bank Balances

Particulars	As at 31st March, 2017	As at 31st March, 2016
Cash and cash equivalents		
Balances with banks in :		
Saving Account	25,14,247	-
Current Account	6,09,10,95,183	1,91,83,13,128
Other Bank Balances:		
Fixed Deposits		
Fixed Deposits	7,24,04,78,368	3,12,38,83,497
Fixed Deposit (Lien with Bank)	36,97,700	300,000
Fixed Deposits pledged with banks (Towards Bank Guarantee)	58,50,00,000	1,00,00,000
Cash in Hand		
Cash in Hand	25,000	12,620
Total	13,92,28,10,498	5,05,25,09,245

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Notes Forming Part of the Consolidated Financial Statements

Note 16: Short Term Loans And Advances

Particulars	As at 31st March, 2017	As at 31st March, 2016
Advances Recoverable in Cash or Kind (Unsecured, considered good)		
Advance Given For Meeting Hall	-	34,400
Earnest Money Deposit	-	-
Staff Advance	7,27,559	5,25,691
Amount Recoverable	1,39,41,137	1,93,13,773
Prepaid Expenses	1,57,60,223	6,58,82,922
Security Deposits	33,763	1,62,24,320
Balances With Revenue/Govt Authorities	23,45,82,590	7,73,01,928
Advance Tax	16,97,00,000	3,60,00,000
Advances Paid	22,42,42,356	-
Upfront charges and Annual Lease charges		
Receivables From SPD's	7,88,65,720	7,476
Others Short Term Loan & Advances (as per list attached)	-	-
Total	73,78,53,346	21,52,90,509

Note 17: Other Current assets

Particulars	As at 31st March, 2017	As at 31st March, 2016
Accrued Interest but not due	28,77,54,962	6,78,88,927
Unbilled Revenue - Solar Power	72,49,79,058	1,14,75,34,302
MAT Credit	7,06,931	-
Other Current Assets	5,91,73,448	2,49,19,697
Total	1,07,26,14,398	1,24,03,42,926

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Notes Forming Part of the Consolidated Financial Statements

Note 18 : Revenue from operations

Particulars	For the Year ended	
	2016-17	2015-16
i) Sale of Solar Power	6,96,92,91,861	5,29,47,46,253
ii) Consultancy and Project Monitoring Fees	73,37,79,862	38,74,02,426
iii) Work Done Projects	70,57,008	35,28,248
iv) Other Operating Income	14,34,52,363	5,33,50,558
v) Lease Rentals		
- N.P. Kunta	544	-
vi) Operation & Maintenance Income		
- N.P.Kunta	91,84,089	-
vii) One Time Development charges		
- N.P. Kunta (200 MW)	62,32,281	-
- N.P. Kunta (50 MW)	11,14,949	-
Total	7,87,01,12,956	5,73,90,27,485

Note 19 :Other Income

Particulars	For the Year ended	
	2016-17	2015-16
Interest Income	12,60,45,109	5,14,42,988
Other Non-operating Income	20,32,703	7,54,385
Deferred Revenue Apportionment	47,64,748	-
Total	13,28,42,560	5,21,97,373

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Notes Forming Part of the Consolidated Financial Statements

Note 20 :Purchase of Solar Power & Operation & Maintenance Expenditure

Particulars	For the Year ended	
	2016-17	2015-16
Purchase of Solar Power	6,77,37,94,423	5,24,74,92,331
Ananthapur Ultra Mega Solar Power Park - N.P. Kunta	34,24,315	-
Total	6,77,72,18,738	5,24,74,92,331

Note 21 :Employee Benefit Expenses

Particulars	For the Year ended	
	2016-17	2015-16
Salaries, Wages, Allowances & Benefits	10,94,05,607	6,62,42,625
Contribution to Provident and Other Funds	1,52,06,395	96,38,361
Staff Welfare Expenses	11,56,201	8,18,423
Total	12,57,68,203	7,66,99,409

NOTE 22: FINANCE COSTS

Particulars	For the Year ended	
	2016-17	2015-16
Interest on Term Loan	1,44,45,024	62,761
Total	1,44,45,024	62,761

Note 23 :Other expenses

Particulars	For the Year ended	
	2016-17	2015-16
Travelling & Conveyance Expenses	1,93,71,989	1,07,32,579
Advertisement & Publicity	2,28,08,146	2,00,20,584
Water, Power & Electricity Charges	22,31,923	6,39,944
Foundation Day Expenses	17,94,928	19,32,946

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Notes Forming Part of the Consolidated Financial Statements

Communication Expenses	32,66,965	21,23,680
Legal & Professional Charges	2,56,41,656	42,98,691
Meeting Expenses	27,85,775	18,10,743
License Fees	15,00,000	18,27,000
Loss on Asset Written Off	34,579	28,231
Other Miscellaneous Expenditure	5,10,008	2,38,155
Membership Fees	20,63,624	46,826
Bank Charges	1,46,476	57,502
Insurance Expenses	2,11,972	2,81,990
Printing, Postage and Stationary	30,33,160	28,12,083
Professional Books & Journals	3,98,351	53,597
Rent	8,92,27,566	4,64,23,183
Repair & Maintenance of Buliding	1,22,62,109	54,87,052
Office Repair & Maintenance	17,45,699	19,27,520
Security & Manpower Expenses	1,23,96,788	95,78,955
Sponsorship Expenses	17,44,131	78,49,238
Support Service Charges	1,10,95,822	80,68,713
Vehicle Running Expenses	49,04,223	26,82,254
Training & Recruitment Expenses	14,50,811	20,67,171
CSR Activity Expense	29,01,000	-
Rebate Allowed	20,19,275	-
Provision for Doubtful Debts	7,98,000	-
Project Develop Exp.-CSP Written off	5,61,800	-
Auditor's Remuneration		
Audit Fees	3,46,675	68,700
For Reimbursement of Expenses	-	6,870
Total	22,72,53,451	13,10,64,207

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Notes Forming Part of the Consolidated Financial Statements

Note 24 : Prior Period Items (Net)

Particulars	For the Year ended	
	2016-17	2015-16
PRIOR PERIOD ITEMS (EXPENSES)		
Membership Fees	2,24,720	-
Employee Benefits Expense-Other	2,95,750	36,00,000
Software Support Services	1,54,715	-
Purchase of Solar Power	14,72,318	-
Revenue From Project Monitoring & Technical Guidance	12,30,650	-
Audit Fees	2,87,486	-
E-Tendering Expenses	2,07,245	-
Depreciation	1,12,229	-
Miscellaneous Expense	-	1,23,109
PRIOR PERIOD ITEMS (INCOME)		
Sale of Solar Power	14,85,825	-
Total	24,99,288	37,23,109

25 Notes to Consolidated Financial Statement:

25.1 The Company and its joint ventures (jointly referred to as the 'Group' herein under) considered in the consolidated financial statements are:

Name of Joint Venture Company	Country of Incorporation	Date of Incorporation	Proportion of Ownership Interest as at	
			31.03.2017 (in %)	31.03.2016 (in %)
Andhra Pradesh Solar Power Corporation Private Limited (APSPCPL)##	India	26.11.2014	50.00	50.00
Karnataka Solar Power Development Corporation Limited (KSPDCPL)#	India	12.03.2015	50.00	50.00
Lucknow Solar Power Development Corporation Limited (LSPDCL)##	India	21.07.2015	50.00	50.00
Rewa Ultra Mega Solar Limited (RUMSL)#	India	10.07.2015	50.00	50.00
Renewable Power Corporation of Kerala Limited (RPCKL)##	India	15.01.2016**	50.00	50.00
Himachal Renewables Ltd (HRL) #	India	14.09.2016*	50.00	0

Audited # / Un-Audited

* The Joint Venture Himachal Renewables Limited have prepared their first financial statements for the Period from 14.09.2016 to 31.03.2017.

** The Joint Venture Renewable Power Corporation of Kerala Limited have prepared their financial statements for the Period from 15.01.2016 to 31.03.2017 as this is the first accounting year of the company.

The Group's share of each of the assets, liabilities etc. (after elimination of the effect of transactions between the Group and the Jointly Controlled Entities and after considering consolidation adjustments) related to its interest in Jointly Controlled Entities are based on the Audited financial statements of 3 Jointly controlled entity & unaudited financial statements of 3 Jointly controlled entity duly certified by the Management of Respective companies and the same have been considered for consolidation of Financial Statements of the group. The figures appearing in their respective Financial Statements may change upon completion of their Audit. Details of SECI's share in Assets & Liabilities in all Joint Venture Entities (50 % share) are as follows

(Amount in Rs.)

Sl. No.	Particulars	As at 31.03.2017	As at 31.03.2016
1	ASSETS		
a)	Fixed assets	1,67,03,72,739	15,85,63,739
b)	Capital Work in Progress	2,51,43,76,151	72,28,66,945
c)	Long term loans and advances	3,07,500	2,49,000
d)	Trade Receivable	2,97,852	-
e)	Cash and cash equivalents & Other Bank Balances	3,04,32,20,835	1,24,29,20,057
f)	Short-term loans and advances	47,18,99,986	8,22,27,433
g)	Other Current Assets	5,37,06,805	9,84,691
2	LIABILITIES		
a)	Capital Grants/Deferred Revenue	1,37,39,87,277	1,91,51,04,901
b)	Deferred tax liabilities (Net)	1,33,72,794	-
c)	Other Long-Term liabilities	3,84,36,71,270	-
d)	Long term provisions	-	-
e)	Other current liabilities	1,50,65,77,453	27,16,51,150
f)	Short-term provisions	7,06,931	3,29,811

25.2 Disclosure as per Accounting Standard (AS)-1 on 'Disclosure of Accounting Policies'

The Accounting policies at S.No.1.5.5, 1.5.6, 1.6,1.7,1.11.1, 1.11.2, 1.11.3, 1.11.5, 1.11.7, 1.11.11, 1.11.12., 1.13,1.17.7,1.19, 1.20, 1.21 & 1.22 have been added/amended in conformity with the Accounting Standards. There is no impact on the profit due to the above additions of policy except policy at S.No. 1.11.5 for which impact on profit due to change in the policy has been disclosed at Note No. 25.31.

25.3 Disclosure as per Accounting Standard (AS)-3 on 'Cash Flow Statement'

Cash Flows Statement is prepared in accordance with the indirect method prescribed in Accounting Standard (AS-3), 'Cash Flow Statement'.

25.4 Disclosure as per Accounting Standard(AS)-7 on 'Construction Contracts'

S. No.	Particulars	As at 31.03.2017	As at 31.03.2016
1	Contract revenue recognized as revenue in the Period	70,57,008	35,28,248
2	Gross amount due from customers for contract work—presented as an asset	NIL	NIL
3	Gross amount due to customers for contract work—presented as a liability	11,19,722	11,19,722

25.5 Disclosure as per Accounting Standard (AS) - 11 on 'Effects of Changes in Foreign Exchange Rates'

The effect of foreign exchange fluctuation during the year is as under:

The amount of exchange differences (net) credited to the statement of profit & loss is Rs. 713/- (previous year debited of Rs. 1729/- (net)).

25.6 Disclosure as per Accounting Standard (AS)- 15 on 'Employee Benefits'

General descriptions of various defined employee benefits are as under:

25.6.1 Defined Contribution Plans:

25.6.1.1 Employer's contribution to Provident Fund:

The company pays fixed contribution to provident fund at predetermined rates to Employees Provident Fund Organization. The amount recognized as expense (including administration charges) and charged to the Statement of Profit and Loss is as under:

(Amount in ₹)

Particulars*	Year ended 31.03.2017	Year ended 31.03.2016
Amount paid to EPFO	58,96,504	43,51,796
Amount Payable to EPFO	1,05,710	-
Amount paid to the Parent organization for employees on deputation	12,10,442	6,11,606
Less: Transferred to Grant/capitalized	2,62,718	7,87,957
Amount recognized as expense in the Statement of Profit and Loss	65,56,706	41,75,445

* including Administration charges

25.6.1.2 Employer's contribution to Pension Scheme:

The defined contribution pension scheme of the Company for its employees which is effective from 1st June 2012 has been approved by MNRE. As per the Scheme, company pays fixed contribution at predetermined rates to LIC. The contribution of Rs. 17,38,188/- (Previous year Rs. 32,40,135/- for whole year) upto August, 2016 to the LIC & then to the trust under SECI Defined Contributory Pension scheme of Rs. 27,01,123/- has been recognized as expense and has been charged to the Statement of Profit and Loss Account.

In case of JV- Karnataka Solar Power Development Corporation Limited (KSPDCL):-

The Officers who are appointed w.e.f 01.04.2016 and working in KSPDCL are deputed from Karnataka Power Transmission Corporation Ltd. The Defined Contribution Pension Scheme of KPTCL which is applied for its employees (3.Nos.) has been remitted to KPTCL during FY 2016-17 (Rs. 1,01,306/-).

The Officers who are appointed prior to 01.04.2006 and working in KSPDCL are deputed from Karnataka Power Transmission Corporation Ltd., The retirement benefits to Employees / Officers Comprises contributions to Gratuity / Pension / Leave and also Leave encashment. Provision for Pension / Gratuity / Leave Contribution is based on actuarial valuation, the provision is made based on Basic pay, Dearness pay and Dearness allowance at Fixed percentage basis (Pension: 33.02%, Gratuity: 6.06%, Leave: 11%). In respect of leave encashment, the company gets reimbursement of Leave salary paid to Employees / Officers, taking into account the actual leave credits of all the Officers.

25.6.2 Defined Benefit Plans:

25.6.2.1 Gratuity:

The Company has a defined benefit gratuity plan. Every employee who has rendered continuous service of five years or more is entitled to gratuity at 15 days salary (15/26 X last drawn basic salary plus dearness allowance) for each completed year of service subject to a maximum of ₹10 Lakhs on superannuation, resignation, termination, disablement or on death. The liability towards gratuity has been provided on the basis of actuarial valuation. The liability is unfunded.

In case of Karnataka Solar Power Development Corporation Limited: -The officers working in KSPDCL are deputed from Karnataka Power Transmission Corporation Ltd., The retirement benefits to Employees / Officers Comprises contributions to Gratuity Contribution is based on actuarial valuation, the provision is made based on Basic pay and Dearness pay at the rate of 6.06%.

25.6.2.2 Earned Leave Encashment

The company has defined benefit leave encashment plan for its Employees. Under this plan they are entitled to encashment of earned leaves subject to certain limits and other conditions specified for the same. The liability towards leave encashment has been provided on the basis of actuarial valuation. The liability is unfunded.

Karnataka- In respect of leave encashment, the company gets reimbursement of Leave salary (Basic and Dearness Pay) paid to Employees / Officers, from KPTCL taking into account the actual leave credits of all the Officers as per terms and condition of KPTCL.

25.6.2.3 Half Pay Leave Encashment

The company has defined benefit half pay leave encashment plan for its Employees. Under this plan they are entitled to encashment of half pay leaves subject to certain limits and other conditions specified for the same. The liability towards leave encashment has been provided on the basis of actuarial valuation. The liability is unfunded.

25.6.2.4 Post-Retirement Medical Scheme (PRMS):

The Company has formulated Post-Retirement Medical Scheme, under which retired employee and his/her spouse are provided medical facilities in the company hospitals/empaneled hospitals. They can also avail treatment as Out-Patient subject to a

ceiling fixed by the company. The liability towards the Post-Retirement medical expenses has been provided on the basis of actuarial valuation. The liability is unfunded.

25.6.2.5 Post-Retirement Superannuation Benefits

DPE Guidelines on Revision of Pay Scales (Industrial DA Patterns) of employees include a provision for providing superannuation benefits upto 30% of Basic Pay & DA which include CPF, Gratuity, Post superannuation medical facilities and Pension. As per guidelines, the CPSEs are to make their own schemes in this regard. The Provision of balance remaining amount out of 30 % of Basic Pay & DA towards Post- Retirement Superannuation Benefits of ₹10,12,812/- (Previous Year ₹13,02,627/-) has been made. The liability is unfunded.

The Company has provided for the following employee benefits under the aforementioned DPE guidelines, for employees other than employees on deputation:

(Amount in ₹)

Sl. No.	Particulars	2016-17	2015-16
1.	Defined Contribution Plan – Provident Fund	53,27,174	38,88,161
2.	Defined Contribution Plan – Pension	44,39,311	32,40,134
3.	Defined Benefit Plan- Gratuity	17,82,767	9,52,360
4.	Defined Benefit Plan – PRMS	7,55,870	3,37,120
5.	Post Retirement other benefits	10,12,812	13,02,627
	Basic +D.A. = 4,43,93,113/- X 30% (Previous Year: 3, 24, 01,341/- X 30%)	1,33,17,934	97,20,402

25.6.3 Key principal assumptions used for Actuarial Valuation are as under:

25.6.3.1 Economic Assumptions

Particulars	Earned Leave, Half Pay Leave, Gratuity and Post- Retirement Medical Benefits	
	2016-17	2015-16
i) Discounting Rate (%) per annum	7.35	8.00
ii) Future salary increase (%) per annum	6.00	6.00

25.6.3.2 Demographic Assumptions

i) Retirement Age (Years)	60	60
ii) Mortality Table	IALM (2006-08)	
iii) Ages	Withdrawal	
	Rate (%)	
Up to 30 Years	3	3
From 31 to 44 years	2	2
Above 44 years	1	1

The estimates of future salary increase considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

25.6.4 The summarized position of various defined benefits recognized in the Statement of Profit and Loss and Balance Sheet are as under:

25.6.4.1 Change in present value of obligation –Leave Benefits

(Amount in ₹)

Sl. No.	Particulars	Earned Leave		Half Pay Leave	
		2016-17	2015-16	2016-17	2015-16
a)	Present value of obligation as at the beginning of the period	61,18,298	49,78,603	24,47,566	19,86,233
b)	Acquisition adjustment	63,062	94,407	19,671	9,938
c)	Interest cost	4,89,464	3,98,288	1,95,805	1,58,899
d)	Past service cost	--	—	—	—
e)	Current service cost	26,61,711	20,05,956	9,80,304	8,12,893
f)	Benefits paid	(9,00,743)	(3,80,633)	(1,19,156)	--
g)	Actuarial (gain)/loss on obligation	(3,15,442)	(9,78,323)	(3,34,675)	(5,20,397)
h)	Present value of obligation as at the end of period	81,16,350	61,18,298	31,89,515	24,47,566

**25.6.4.2 The amounts to be recognized in Balance Sheet and related analysis –
Leave Benefits**

(Amount in ₹)

Sl. No.	Particulars	Earned Leave		Half Pay Leave	
		2016-17	2015-16	2016-17	2015-16
a)	Present value of obligation as at the end of the period	81,16,350	61,18,298	31,89,515	24,47,566
b)	Fair value of plan assets as at the end of the period	--	--	--	--
c)	Funded status	(81,16,350)	(61,18,298)	(31,89,515)	(24,47,566)
d)	Net asset/(liability) recognized in Balance Sheet	(81,16,350)	(61,18,298)	(31,89,515)	(24,47,566)

25.6.4.3 Expense recognized in the Statement of Profit and Loss –Leave Benefits

(Amount in ₹)

Sl. No.	Particulars	Earned Leave		Half Pay Leave	
		2016-17	2015-16	2016-17	2015-16
a)	Current service cost	26,61,711	20,05,956	9,80,304	8,12,893
b)	Past service cost	--	--	--	--
c)	Interest cost	4,89,464	3,98,288	1,95,805	1,58,899
d)	Expected return on plan assets	--	--	--	--
e)	Net actuarial (gain)/ loss recognized in the period	(3,15,442)	(9,78,323)	(3,34,675)	(5,20,397)
f)	Transferred to Grant	--	(61,953)	--	--
g)	Capitalized in Project	--	(2,87,819)	--	--
h)	Expenses recognized in the	28,35,733	10,76,149	8,41,434	4,51,395

25.6.4.4 Change in present value of obligation -PRMS and Gratuity benefits

(Amount in ₹)

Sl. No.	Particulars	PRMS		Gratuity	
		2016-17	2015-16	2016-17	2015-16
a)	Present value of obligation as at the beginning of the period	9,63,557	6,26,437	29,64,508	17,35,800
b)	Acquisition adjustment	--	--	--	2,76,348
c)	Interest cost	77,085	50,115	2,37,161	1,38,864
d)	Past service cost	--	--	--	--
e)	Current service cost	6,26,029	3,80,899	15,91,285	11,02,619
f)	Benefits paid	--	--	--	--
g)	Actuarial (gain)/loss on obligation	52,756	(93,894)	(45,679)	(2,89,123)
h)	Present value of obligation as at the end of period	17,19,427	9,63,557	47,47,275	29,64,508

25.6.4.5 The amounts to be recognized in Balance Sheet and related analysis - PRMS and Gratuity benefits

(Amount in ₹)

Sl. No.	Particulars	PRMS		Gratuity	
		2016-17	2015-16	2016-17	2015-16
a)	Present value of obligation as at the end of the period	17,19,427	9,63,557	47,47,275	29,64,508
b)	Fair value of plan assets as at the end of the period	--	--	--	--
c)	Funded status	(17,19,427)	(9,63,557)	(47,47,275)	(29,64,508)
d)	Net asset/(liability) recognized in Balance Sheet	(17,19,427)	(9,63,557)	(47,47,275)	(29,64,508)

25.6.4.6 Expense recognized in the Statement of Profit and Loss - PRMS and Gratuity benefits

(Amount in ₹)

Sl. No.	Particulars	PRMS		Gratuity	
		2016-17	2015-16	2016-17	2015-16
a)	Current service cost	6,26,029	3,80,899	15,91,285	11,02,619
b)	Past service cost	--	—	—	—
c)	Interest cost	77,085	50,115	2,37,161	1,38,864
d)	Expected return on plan assets	--	—	—	—
e)	Net actuarial (gain)/ loss recognized in the period	52,756	(93,894)	(45,679)	(2,89,123)
f)	Expenses recognized in the Statement of Profit and Loss	7,55,870	3,37,120	17,82,767	9,52,360

25.6.4.7 The effect of one percentage point increase/decrease in the medical cost of PRMS will be as under:

(Amount in ₹)

Sl. No.	Particulars	2016-17		2015-16	
		Increase by (1 %)	Decrease by (1 %)	Increase by (1 %)	Decrease by (1 %)
a)	Effect on Service & Interest Cost	2,31,599	(2,39,039)	1,83,817	(1,10,170)
b)	Effect on PBO (Closing)	8,01,670	(4,19,368)	3,90,419	(2,35,506)

25.6.5 Other disclosures:

25.6.5.1 Gratuity

(Amount in ₹)

Particulars	31.03.2017	31.03.2016	31.03.2015	31.03.2014
PBO (C)	47,47,275	29,64,508	17,35,800	8,95,110
Plan Assets	-	-	-	-
Net Assets/ (Liability)	(47,47,275)	(29,64,508)	(17,35,800)	(8,95,110)
Experience adjustments on Plan PBO	4,48,694	2,89,123	58,811	(19,710)
Experience adjustments on Plan assets	-	-	-	-

25.6.5.2 Earned Leave

(Amount in ₹)

Particulars	31.03.2017	31.03.2016	31.03.2015	31.03.2014
PBO (C)	81,16,350	61,18,298	49,78,603	27,12,996
Plan Assets	-	-	-	-
Net Assets/ (Liability)	(81,16,350)	(61,18,298)	(49,78,603)	(27,12,996)
Experience adjustments on Plan PBO	9,71,358	9,78,323	3,17,307	22,407
Experience adjustments on Plan assets	-	-	-	-

25.6.5.3 Half Pay Leave

(Amount in ₹)

Particulars	31.03.2017	31.03.2016	31.03.2015	31.03.2014
PBO (C)	31,89,515	24,47,566	19,86,233	11,93,552
Plan Assets	-	-	-	-
Net Assets/ (Liability)	(31,89,515)	(24,47,566)	(19,86,233)	(11,93,552)
Experience adjustments on Plan PBO	5,73,298	5,20,397	3,81,866	54,037
Experience adjustments on Plan assets	-	-	-	-

25.6.5.4 PRMS

(Amount in ₹)

Particulars	31.03.2017	31.03.2016	31.03.2015	31.03.2014
PBO (C)	17,19,427	9,63,557	6,26,437	2,96,400
Plan Assets	-	-	-	-
Net Assets/ (Liability)	(17,19,427)	(9,63,557)	(6,26,437)	(2,96,400)
Experience adjustments on Plan PBO	4,63,635	93,894	(33,796)	22,159
Experience adjustments on Plan assets	-	-	-	-

25.7 Disclosure as per Accounting Standard (AS)-16 on 'Borrowing Costs'

Borrowing Costs capitalized during the year are Rs NIL. /- (Previous Year Rs1,89,567)

25.8 Disclosure as per Accounting Standard (AS)-17 on 'Segment Reporting'

Segment Information

25.8.1 Business Segments

The Company's principal business is Power trading. Other business includes providing consultancy, project management and supervision. The principal business of JV Companies is setting up of Solar park, Maintenance of Solar Park & other related activities.

25.8.2 Segment revenue and expense

Revenue directly attributable to the segments is considered as 'Segment Revenue'. Expenses directly attributable to the segments and common expenses allocated on a reasonable basis are considered as 'Segment Expenses'.

25.8.3 Segment assets and liabilities

Segment assets include all operating assets in respective segments comprising of net fixed assets and current assets, loans and advances. Segment liabilities include operating liabilities and provisions.

25.8.4 The operation of the company mainly carried out within the country and therefore there is no reportable geographical segment.

25.8.5 Segment Reporting:

Business Segments								
	Power Trading		Consultancy and Project Management		Joint Venture		Total	
Particulars	2016-17	2015-16	2016-17	2015-16	2016-17	2015-16	2016-17	2015-16
Segment Revenue								
Revenue from Operations	6,96,92,91,861	5,29,47,46,150	73,37,79,862	38,74,02,426	1,65,31,862	-	7,71,96,03,585	5,68,21,48,576
Unallocated Interest and Other Income	-	-	-	-	-	-	28,33,51,931	10,90,76,282
Total	6,96,92,91,861	5,29,47,46,150	73,37,79,862	38,74,02,426	1,65,31,862	-	8,00,29,55,516	5,68,21,48,576
Segment Result	14,36,98,990	3,51,14,329	61,85,03,438	32,33,78,112	1,31,07,547	-	77,53,09,975	35,84,92,441
Unallocated expenses, Interest and finance charges	-	-	-	-	-	-	32,70,42,887	14,28,83,469
Profit before tax	-	-	-	-	-	-	73,16,19,020	32,46,85,254
Provision for taxes	-	-	-	-	-	-	27,66,13,167	13,36,70,814
Profit after tax	-	-	-	-	-	-	45,50,05,853	19,10,14,440
Other Information:								
Segment Assets	2,72,59,64,918	2,62,40,93,470	4,25,53,11,115	1,87,70,16,287	-	-	6,98,12,76,033	4,50,11,09,756
Unallocated Assets	-	-	-	-	-	-	16,26,86,88,288	5,45,47,16,862
Total Assets	2,72,59,64,918	2,62,40,93,470	4,25,53,11,115	1,87,70,16,287	-	-	23,24,99,64,322	9,95,58,26,418
Segment Liabilities	3,87,29,71,970	2,69,27,65,494	7,36,18,67,928	2,46,77,72,001	-	-	11,23,48,39,898	5,16,05,37,495
Unallocated Liabilities	-	-	-	-	-	-	7,35,13,13,966	1,76,41,61,366
Total Liabilities	3,87,29,71,970	2,69,27,65,494	7,36,18,67,928	2,46,77,72,001	-	-	18,58,61,53,866	6,92,46,98,861

Depreciation and Amortisation	3,58,78,645	79,810	48,35,232	39,81,293	-	-	4,07,13,877	40,61,103
Unallocated Depreciation	-	-	-	-	-	-	1,22,23,915	3,27,113
Non-Cash Expenses other than depreciation	-	-	34,579	28,231	-	-	34,579	28,231
Capital Expenditure	2,16,58,689	-	68,14,558	42,50,725	-	-	2,84,73,247	42,50,725
Unallocated Capital Expenditure	-	-	-	-	-	-	3,36,40,37,376	1,17,55,98,806

* In Segment reporting, assets and liabilities of all the Joint Venture companies have been treated as Unallocated due to non-applicability of disclosure of AS-17 on the Joint Venture Companies.

25.9 Disclosure as per Accounting Standard (AS)-18 on 'Related Party Disclosures'

25.9.1 Related Parties:

25.9.1.1 List of Joint Ventures Companies Consolidated are as under:-

Andhra Pradesh Solar Power Corporation Private Limited (APSPCPL)

Renewable Power Corporation of Kerala Limited (RPCKL)

Karnataka Solar Power Development Corporation Limited (KSPDCL)

Lucknow Solar Power Development Corporation Limited (LSPDCL)

Rewa Ultra Mega Solar Limited (RUMSL)

Himachal Renewables Limited (HRL)

25.9.1.2 Disclosure of Material Transactions with Related Parties (i.e. Joint Ventures)

Name of Joint Venture	2016-17	2015-16	Nature
Andhra Pradesh Solar Power Corporation Private Limited	9,84,76,848	1,02,41,50,000	Grant for Solar Park
Andhra Pradesh Solar Power Corporation Private Limited	-	-	Investment in Equity
Renewable Power Corporation of Kerala Limited	2,00,00,000	-	Grant for Solar Park
Renewable Power Corporation of Kerala Limited	-	50,00,000	Investment in Equity
Karnataka Solar Power Development Corporation Limited	79,80,00,000	1,00,00,00,000	Grant for Solar Park
Karnataka Solar Power Development Corporation Limited	-	50,00,000	Investment in Equity
Lucknow Solar Power Development Corporation Limited	-	20,81,80,000	Grant for Solar Park
Lucknow Solar Power Development Corporation Limited	-	50,00,000	Investment in Equity
Rewa Ultra Mega Solar Limited	25,00,000	37,50,00,000	Grant for Solar Park
Rewa Ultra Mega Solar Limited	-	1,00,00,000	Investment in Equity
Himachal Renewables Limited	-	-	Grant for Solar Park
Himachal Renewables Limited	25,00,000	-	Investment in Equity
Total	92,14,76,848	2,63,23,30,000	

25.9.1.3 Key Management Personnel (KMP):

Name	Designation
Dr. Ashvini Kumar	Managing Director
Shri Rakesh Kumar	Director (Power Systems) *
Shri C. Kannan	Director (Finance)
Shri Rajeev Bhardwaj	Director (Human Resources)
Shri Shailesh Kumar Gupta	Company Secretary **
Shri Sunil Kumar	Company Secretary ***
Shri V. Balaram	Managing Director, KREDL
Shri Ramesh Kumar Kuruppath	General Manager, SECI
Shri N. Suresh	General Manager, KREDL
Shri G.S. Shasidhar	Company Secretary
Shri Kaveti Vijayanand, IAS	Nominee Director
Shri Shailesh Kumar Gupta	Nominee Director
Shri Merupu Kamalakar Babu	Nominee Director
Shri Gopalam Adisesu	Chief Executive Officer
Shri VSR Naidu	Chief Operations Officer

* Upto 30th November, 2016

** Upto 04th January, 2017

*** From 05th January, 2017

25.9.2 Remuneration to key management personnel for the year is ₹ 2,27,00,761/- (Previous year: ₹ 1,93,83,639/-).

Managerial remuneration to KMP	Current Year (₹)	Previous Year (₹)
Dr. Ashvini Kumar	43,49,416	38,61,607
Shri Rakesh Kumar	36,37,702	35,51,991
Shri C. Kannan	44,98,417	40,07,823
Shri Rajeev Bhardwaj	44,18,592	42,21,954
Shri Shailesh Kumar Gupta	26,56,127	30,70,164
Shri Sunil Kumar	5,66,384	-

Shri Ramesh Kumar Kuruppath	-	-
Shri G.S.Shasidhar	1,03,500	68,600
Shri Gopalram Adisesu	13,40,348	6,00,000
Shri VSR Naidu	11,24,275	-
Shri N. Suresh	3,000	500
Shri G. V. Balaram	3,000	1,000
Total	2,27,00,761	1,93,83,639

25.10 Disclosure as per Accounting Standard (AS)-19 on 'Leases'

The Group's significant leasing arrangements are in respect of operating leases of premises for office and for residential use of employees.

Leasing arrangements with respect to premises for residential use of employees are non-cancellable and are usually renewable on mutually agreed terms. Employee benefits expense include Rs. 1,11,52,208/- (Previous year Rs. 68,51,640/-) towards lease payments, net of recoveries, in respect of premises for residential use of employees.

Gross lease expenses in respect of premises for offices amounting to Rs. 8,27,32,826/- (Previous year Rs. 4,86,72,960/-) [net lease payments of Rs. 8,82,48,329/- (Previous year Rs. 4,60,96,134/-) after adjusting amount capitalized/reversal of CENVAT credit] is included under Rent.

The Future Minimum Lease Payments under non-cancellable operating lease in respect of office premises of the Solar Energy Corporation of India Ltd are disclosed as under:

(Amount in Rs.)

Particulars	As at 31.03.2017	As at 31.03.2016
Not later than one year	10,44,81,015	4,46,16,880
Later than one year and not later than five years	16,67,05,596	-
Later than five years	-	-
Total	27,11,86,611	4,46,16,880

The lease agreement in respect of office premises of the Solar Energy Corporation of India Ltd was signed for a period of 3 years w.e.f. 01.03.2017 (1st Floor) & 22.06.2016 (5th Floor) with option of renewal of the lease for a further term with escalation clause of 15 % after expiry of every 3 years.

In case of Karnataka Solar Power Development Corporation Limited (KSPDCL)

Where the company is a Lessee : The KSPTCL is obtaining the land from the farmers for 28 years on annual lease basis and land lease agreements have been made by KSPDCL and between farmers in order to develop solar park for generation of solar energy in accordance with the Karnataka Solar Policy 2014-21. Government

of India and Government of Karnataka have approved for setting up of Solar Park in 5 villages of Pavagada Taluk of Tumkur District by KSPDCL. Since the obtaining of land is for the purpose of generation of Solar Energy and the KSPDCL is obtaining the agricultural land from the farmers and the annual lease charges being paid at the rate of Rs. 21,000/- per acre on Annual Basis with on escalation of 5% on the base rate at every two years as fixed by Government of Karnataka. Such lands are converted to Industrial purposes with payment of Conversion Fee to Deputy Commissioner Tumkur District. Land Lease payments are considered as Capital Expenditure during initial period till the Solar Park is established. Hence the cost is accounted under Capital work in Progress of Fixed Asset Group. The land details obtained for Solar Power Project is here under:

Years	Extent area		Annual Lease Amount ₹
	Acres	Guntas	
2015-16	7374	12	4,32,64,608
		Prepaid	13,05,86,641
			17,38,51,249
2016-17	4604	20	26,31,95,984
		Prepaid	2,88,25,453
			29,20,21,437

The Solar Power Developers (SPDs) who are selected through the bidding process conducted by NTPC have entered into Implementation and Support Agreement (ISA) and Land Sub-Lease Agreement (LSLA) with KSPDCL. There by the physical possession of the land on Sub-Lease.

In addition to above, no disclosure has been given by the other Joint Ventures companies in the unaudited Financial statement which has been consolidated.

25.11 Disclosure as per Accounting Standard (AS)-20 on 'Earnings per Share (EPS)'

The elements considered for calculation of Earnings per Share (Basic and Diluted) are as under:

(Amount in ₹)

Particulars	2016-17	2015-16
a. Net Profit available for Equity Shareholders	45,50,05,853	19,10,14,440
b. Number of Equity Shares used as denominator for calculation of EPS	27,16,712	12,99,135
c. Number of Equity Shares used as denominator for calculation of DEPS	27,16,712	12,99,135
d. Basic Earnings per Share of face value of Rs.1000/- each (previous year face value of Rs. 1000/-each)	167.48	147.03
e. Diluted Earnings per Share of face value of Rs.1000/- each (previous year face value of Rs. 1000/-each)	167.48	147.03

The details of reconciliation between the weighted average number of equity shares used as the denominator in calculating basic and diluted earnings per share for F.Y. 2015-16:

Particulars	2015-16
Number of Equity Shares used as denominator for calculation of EPS	12,99,135
Add: weighted average number of shares in respect of Share Application money pending allotment received	NIL
Number of Equity Shares used as denominator for calculation of DEPS	12,99,135

25.12 Disclosure as per Accounting Standard (AS)-22 on 'Accounting for taxes on Income'

(Amount in Rs.)

Deferred Tax Assets /(Liabilities) on Account of	As at 31.03.2017	As at 31.03.2016
Depreciation	(7,13,32,879)	(4,26,97,444)
Expenses allowed on payment basis u/s 43B of Income Tax Act, 1961	2,10,06,645	1,14,15,854
Application of funds claimed on account of capital advance u/s 11 of Income Tax Act, 1961 up to Financial Year 2014-15	NIL	(1,65,70,659)
Total (Net)	(5,03,26,234)	(4,78,52,249)

25.13 Disclosure as per Accounting Standard (AS)-28 on 'Impairment of Assets'

In the opinion of the management, there is no indication of any significant impairment of assets during the year. Thus, there is no impairment loss during the year.

25.14 Additional Information, as required under Schedule III to the Companies Act, 2013, of enterprises consolidated as jointly controlled entities.

As on March 31, 2017

Name of the Enterprise		Net Assets (Total Assets – Total Liabilities)		Share in Profit or Loss	
		As % of Consolidated Net Assets	Amount (in Rs.)	As % of Consolidated Profit or Loss	Amount (in Rs.)
Parent					
Solar Energy Corporation of India Ltd.		78.22%	3,64,79,44,313	100.00%	45,50,05,852
Jointly Controlled Entities					
1	Andhra Pradesh Solar Power Co. Pvt. Ltd.	17.30%	80,70,31,435	-	-
2	Rewa Ultra Mega Solar Ltd.	4.08%	19,04,62,577	-	-
3	Lucknow Solar Power Development Corporation Ltd.	0.12%	54,33,873	-	-
4	Renewable Power Corporation of Kerela Ltd.	0.11%	51,85,470		
5	Himachal Renewable Ltd.	0.06%	26,45,399		
6	Karnataka Solar Power Development Corporation Ltd.	0.11%	51,07,390	-	-

As on March 31, 2016

Name of the Enterprise		Net Assets (Total Assets – Total Liabilities)		Share in Profit or Loss	
		As % of Consolidated Net Assets	Amount (in Rs.)	As % of Consolidated Profit or Loss	Amount (in Rs.)
Parent					
Solar Energy Corporation of India Ltd.		99.06%	2,19,07,43,723	100.00%	19,10,14,440
Jointly Controlled Entities					
1	Andhra Pradesh Solar Power Co. Pvt. Ltd.	0.02%	4,62,250	-	-
2	Rewa Ultra Mega Solar Ltd.	0.45%	1,00,00,000	-	-
3	Lucknow Solar Power Development Corporation Ltd.	0.24%	52,63,754	-	-
4	Karnataka Solar Power Development Corporation Ltd.	0.23%	50,00,000	-	-

Last year figures i.e. 2015-16 has been re-grouped/re-classified to make them comparable with Current year figures i.e. 2016-17.

25.15 Contingent Liabilities:

- 25.15.1** In respect of Company's booking with NBCC for commercial and residential space, as per the allotment letter dated 20.11.2013, NBCC has mentioned service tax in their payment schedule amounting to Rs. 3,97,76,056/- (Previous year Rs. 3,50,96,520) @12.36% on the 8 installments paid by the Company till 31.03.2017. However, the same has yet not been demanded by NBCC. The same shall be paid to NBCC at the applicable service tax rates as and when a demand for the same is raised by NBCC.
- 25.15.2** The company has provided counter indemnity in favour of Bank(s) against issue of various Bank Guarantee(s)/Letter of credit in favour of transmission companies, VAT authorities, Project Developer(s) & PPA holder for a cumulative amount of Rs. 10,14,90,576/- (Previous year Rs. 16,76,81,534/-).
- 25.15.3** In case of Andhra Pradesh Solar Power Corporation Private Limited there is Contingent Liabilities of Rs. 75,00,00,000/ as at 31.03.2017 (Rs. 1,50,00,000 as at 31.03.2016) in the form of Bank guarantee.

25.15.4 In case of Karnataka Solar Power Development Corporation Limited

Outstanding Bank Guarantee issued to M/S. Power Grid towards Contract performance guarantee amounting to Rs. 1,02,00,00,000/-

25.16 Capital and other Commitments:

- 25.16.1 Estimated amount of contracts remaining to be executed on capital account and not provided for is Rs. 38,39,43,086/- (Previous Year Rs 38,33,81,993/-).

In addition to above, no disclosure has been given by the other Joint Ventures companies in the Unaudited Financial statement which has been consolidated.

- 25.16.2 Investments made in the shares of Joint Venture Companies viz. Lucknow Solar Power Development Corporation Limited, Rewa Ultra Mega Solar Limited & Himachal Renewables Limited is subject to lock-in-period of 5 years from the date of incorporation of the respective Joint Venture company during which period the Company cannot sell or transfer its shareholding in the Joint Venture company.

25.17 Information in respect of micro and small enterprises as at 31st March 2017 as required by Micro, Small and Medium Enterprises Development Act, 2006

Particulars		Amount (in Rs.)	
		31.03.2017	31.03.2016
a)	Amount remaining unpaid to any supplier:	Nil	Nil
	Principal amount	Nil	3,94,320
	Interest due thereon	Nil	Nil
b)	Amount of interest paid in terms of Section 16 of the MSMED Act along with the amount paid to the suppliers beyond the appointed day.	Nil	Nil
c)	Amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act.	Nil	Nil
d)	Amount of interest accrued and remaining unpaid	Nil	Nil
e)	Amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises, for the purpose of disallowances as a deductible expenditure under Section 23 of MSMED Act	Nil	Nil

- 25.18 In accordance with approval of the Board of Directors, surplus un-disbursed funds and grants available with the Company are placed periodically in short term deposits, taking into account the Government guidelines issued for the purpose.

- 25.19** During the Financial Year 2015-16, the Purchase (for various projects in Rajasthan) and Sales of solar power were inclusive of Rs. 4,80,16,000/- for the period between 28.04.2015 to 15.01.2016 corresponding to the period prior to signing of Long Term Open Access agreement with CTU. As the scheduling of power could not be started for the corresponding period due to non-availability of long term open access., the matter was taken up with Rajasthan Urja Vikas Nigam Limited (RUVNL) for recovery of the amount and the recoverable amount of Rs. 4,80,16,000/- has been shown under Other Current Assets during the F.Y. 2016-17.
- 25.20** During the financial year, the Exceptional item of Rs. 6,49,32,500 (Previous year Nil) as shown in Profit & Loss Statement, represents SECI's one-time contribution towards the corpus of International Solar Alliance (ISA).
- 25.21** Due to lack of technical feasibility, the application money of Rs. 5,61,800/- (Previous year Rs. NIL) deposited with Rajasthan Renewable Energy Corporation Limited for development of 50 MW CSP Project has been written off, as the same was non-refundable. The Same has been shown under the Head Expenses Other Expenses in the Profit & Loss Statement
- 25.22** The company has requested MNRE for appointment of Independent Directors & Women Director on the Board of the Company in accordance with the DPE guidelines & Companies Act, 2013 and the appointment is still pending. A provision of Rs. 2,59,46,846/- towards Performance related pay (PRP) has been made in current year. The payment of the same shall be released on the approval of the Competent Authority.
- 25.23** The 'Recommendation of 3rd Pay Revision Committee (PRC) for revision of pay for executives and non-unionized supervisors in CPSEs has been submitted to the Government of India. The recommendation of pay revision is effective from 01/01/2017. The 3rd PRC recommendations are available in public domain on Department of Public Enterprises (DPE) website. Accordingly, the provision for the impact of pay revision for the period from Jan to Mar 2017 has been made keeping in view the year of implementation as FY 2017-18 and the affordability has been worked out taking the Profit Before Tax of FY 2014-15, FY 2015-16 and FY 2016-17 (provisional) after providing 15% fitment benefit on the basic pay.
- 25.24** In the opinion of the Board, all the assets other than Fixed Assets and Non-Current Investments, unless stated otherwise, have a value on realization in the ordinary course of business at least equal to the amount at which they are stated in the books of accounts.
- 25.25** Trade receivable and payable outstanding as on 31.03.17 of Standalone Company Solar Energy Corporation of India Limited are to the tune of Rs. 101.10 Crore and Rs. 109.47 Crore respectively., however, as per policy of the company, letter to parties having balance as on 31.12.2016 were sent for confirmation. Accordingly, out of total outstanding balance of Rs. 116.84 Crore and Rs. 114.85 crore in respect of Trade receivables and payables as on 31.12.2016, balances to the tune of Rs. 98.68 crore and Rs. 110.16 crore respectively were got confirmed while the balance amount remained unconfirmed.
- 25.26** Balances of Trade Receivables and Recoverable shown under 'Current Assets' and Trade and Other Payables shown under 'Current Liabilities' include balances subject to confirmation/reconciliation and consequential adjustment, if any. Reconciliations are carried out on-going basis. Provisions, wherever considered necessary, have been made. Adjustments, if any, will be accounted for on confirmation/

reconciliation of the same with the concerned parties, which in the opinion of the management will not have a material impact.

25.27 SECI has signed a PPA, for purchase of Solar Power from a Solar Power Developer (SPD) of 20 MW. The SPD has commissioned the project in two different phases of 10 MW each. In the absence of MNRE approval for determination of tariff and acceptance of commissioning, during the year an amount of Rs. 14.73 cr. (Previous Year Rs. 0.59 cr.) have not been accounted as purchase of power and also the corresponding sale of revenue amounting to Rs. 14.86 cr. (Previous Year Rs. 0.60 cr.) have not been recognized as sales of solar power.

25.28 In terms of the terms of the PPA signed with the Solar Power Developers under JNNISM scheme Batch III- 2000 MW an amount of Rs. 11,78,33,523/- (Previous year Rs. NIL) has been received towards extension of Financial Closure as applicable. MNRE had issued an Office Memorandum dated 02.12.2016 for grant of extension of financial closure due date till January 31,2017 in view of the Government decision of demonetization of Currency. The said money along with Gross Interest of Rs. 9,80,212/- (Previous Year Rs. NIL) has neither been transferred to "Payment Security Fund" nor has been refunded to the Developers as the matter was referred to Empowered Committee set-up by MNRE for removing difficulty in implementation of the scheme and the decision of the Empowered Committee is pending.

25.29 In terms of Department of Investment & Public Asset Management (DIPAM) guidelines dated 27th May,2016, the company would require to pay 5 % of the Net worth as on 31.03.17 or 30 % of Profit after Tax (PAT) for the year 2016-17, whichever is higher. The Company has sought exemption from Ministry of Finance through the administrative Ministry that is MNRE to pay dividend at the rate 30% of PAT instead of 5% of Net worth. Pending approval the company is proposing a dividend of 30 % of Profit after Tax which works out to Rs. 13,96,12,689 & Dividend Tax thereon of Rs. 2,84,21,858/-. No provision for the same has been made during the financial year 2016-17 in line with the provisions of AS-4(Revised).

25.30 Corporate Social Responsibility Expenses (CSR)

As per Section 135 of the Companies Act,2013 along with Corporate Social Responsibility Rules,2014 read with DPE guidelines no. F.No. 15(13)/2013-DPE (GM), the company required to spend, in every financial year, at least two percent of the average net profits of the company made during the three immediately financial years in accordance with its CSR Policy. Based on above, the CSR amount to be spent by the company during 2016-17 is Rs. 29,01,000/- and accordingly an amount of Rs. 29,01,000/- (Previous year Rs. NIL) was contributed to "Swachh Bharat Kosh", an approved CSR fund of the Govt. of India. There is no unspent balance of CSR funds.

25.31 Effect due to changes in Accounting Policy

Due to change in Accounting Policy of revenue recognition in case of Grid connected Rooftop Projects, the expenditure incurred in excess in previous year 2015-16 as compared to revenue recognized in line with the policy is Rs. 4,76,338, which has resulted in reduction of profit by Rs. 4,76,338/- in current year 2016-17.

During the Year the joint Venture company has changed the Accounting Policy in respect of "Capital Grants/central financing Assistance " received under MNRE Scheme for development of Solar Parks as well as other existing accounting policies. Due to change in accounting policies there has been no

impact on the profit of the Group. But there has been impact on capital reserve, deferred revenue etc. which has been disclosed as under :

Particulars	Impact	Amount (in Rs.)
Capital Reserve	Decreased by	12,76,73,600
Deferred Revenue	Increased by	1,37,39,87,277

In case of Karnataka Solar Power Development Corporation Limited.

The Company changed the method of depreciation on assets during the financial year 2016-17.

Hitherto the company was charging depreciation @ 99.90% on the Asset value in the year of acquisition (F/Y 2015-2016). During the Financial Year 2016-2017, the company has changed the method of charging depreciation as per the Accounting Policy 1.5 followed by JV Company.

Due to this change the excess charge of depreciation amount Rs.29,70,199 has been reduced in work in progress and increase in value of Fixed Assets.

Had the company adopted the old method of charging depreciation, the amount would be Rs.64,36,605 as against Rs.13,31,406 for the year 2016-2017.

25.32 In case of Andhra Pradesh solar Power Corporation Private Limited, During the Year, NTPC (Power Developer) has commissioned 200MW Solar Power Park on May 9, 2016 and 50MW on August 10, 2016 situated at N.P. Kunta, Ananthapuramu District, Andhra Pradesh.

25.33 In case of Andhra Pradesh solar Power Corporation Private Limited

Change in Accounting Policies: During the year, the Company has changed the Accounting Policy in respect of "Capital Grants/Central Financing Assistance" received under MNRE Scheme for development of Solar Parks as well as other existing accounting policies to suit the Uniform Accounting policies as prescribed by SECI. Effect of the same has not been specified.

25.34 In case of Andhra Pradesh solar Power Corporation Private Limited

The Company has acquired lands from State Government of Andhra Pradesh on long term lease basis for development of Solar Park situated at N.P. Kunta, Ananthapuramu Ultra Mega Solar Park(1000MW). The State Government has entered into MOU with NTPC on 16th September, 2014 and agreed to collect nominal lease rent from NTPC. Accordingly, the Company has entered into Lease agreement with NTPC to collect nominal rent at Rs. 1/- per acre. The Company has requested the State Government to waive the Lease rentals. Pending approval from State Government, no provision for Lease Rentals is made in the Books of account of the Company.

25.35 The name of the company has although been changed from Solar Energy Corporation of India to Solar Energy Corporation of India Limited but still some of the bills of expenses & Purchase of Solar power are coming in old name.

25.36 There is no event that has been taken place after the date of Balance Sheet, which has significant impact on the Financials for the year ended 31st March, 2017.

25.37 In accordance with approval of the Board of Directors, the advance received from SPDs and grants available with the Company are placed periodically in short term deposits, and withdrawn on requirement for meeting the expenditure of Solar Power Project at Pavagada Taluk, Tumkur District.

25.38 In case of Karnataka Solar Power Development Corporation Limited In the opinion of the Board, all the assets other than Fixed Assets and Non-Current Investments, unless stated otherwise, have a value on realization in the ordinary course of business at least equal to the amount at which they are stated in the books of accounts. The entire portion of the expenditure is being booked under CWIP, since the solar park is under construction stage

25.39 In case of Karnataka Solar Power Development Corporation Limited The Company was originally set up on 12th March, 2015, as Public Limited by Shares company under the provisions of Section 18 of Companies Act, 2013. The Registrar of Companies issued Certificate of incorporation on 28th September, 2015. In view of the above, the Company has considered its functioning w.e.f. 12th March, 2015.

25.40 In case of Andhra Pradesh solar Power Corporation Private Limited, The Details of Land Purchased/ Acquired till 31.03.2017 as are tabulated below:

						(# of acres)
S.No.	Name Of The Project	Name of village	Govt Lands acquired on Long term Lease	Assigned Lands acquired from State Govt	Patta Land purchased from Villagers	Total
1	Anathapuramu Ultra Mega Solar Park (1000 MW) at N P Kunta	N.P.Kunta	873.23	1,070.93	83.31	2,027.47
		P.Kothapally	3,554.36	1,095.02	16.12	4,665.50
2	Anathapuramu Ultra Mega Solar Park (500 MW) at Galiveedu Mandal	Thumukunta	1,610.84	847.98	196.35	2,655.17
		Veligaallu	127.56	673.98		801.54
3	Kurnool Ultra Mega Solar Park (1000 MW)	Sekunala	1,509.87	961.31	259.96	2,731.14
		Gani	1,648.92	744.54	229.65	2,623.11
4	Kadapa Ultra Mega Solar Park (1000 MW)	Thalamanchi Patnam	852.87	0.00	0.00	852.87
		RamachandrayaPalli	822.91	0.00	0.00	822.91
		Dhodium	2,260.14	0.00	0.00	2,260.14

		Vaddirala	286.79	0.00	0.00	286.79
		Ponnam Pally	469.29	0.00	0.00	469.29
		Kona Ananthapuram	729.89	0.00	0.00	729.89
5	Ananthapuramu-II Ultra Mega Solar Park (500 MW)	Talaricheruvu	2,945.78	0.00	100.00	3,045.78
		Aluru	1,076.56	0.00	0.00	1,076.56
		Bogasamu dram	0.00	0.00	0.00	0.00
	Total		18,769.01	5,393.76	885.39	25,048.16

b) The Company allotted Lands to NTPC for setting up of Solar Power Plant at N.P. Kunta, Ananthapuramu District, Andhra Pradesh in accordance with Memorandum of Understanding (MOU) entered between NTPC and State Government of Andhra Pradesh vide dated 16.09.2014 wherein it was agreed to charge nominal lease rent from NTPC. Details of Lands allotted to NTPC are as follows:

S No.	Name of the Village	Govt Land	Assigned Land	Total	Sy. No.s
1	N P KUNTA	288.65	436.98	725.63	78,67,90,793
2	P KOTHAPALLI	398.58	110.69	509.27	87,88,79,880
3	PATTALAND			15.10	
	TOTAL			1,250.00	

25.41 Operating Cycle

Based on the nature of activities of the Company and the normal time between acquisition of assets and their realization in cash or cash equivalents, the Company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

25.42 Details of Specified Bank Notes (SBN) held and transacted during the period 08.11.2016 to 30.12.2016:

Period 08.11.2016 to 30.12.2016	SBN's	Other denomination notes (Total of Joint Venture Entities)	Total (Joint Venture Entities)	Other denomination notes (Seci Share in Joint Venture Entities)	Total (Seci Share 50 % in Joint Venture Entities)
Opening Cash in hand as on 08.11.2016	0	40,093	40,093	20,047	20,047
(+) Permitted Receipts	0	7,56,857	7,56,857	3,78,428	3,78,428
(-) Permitted Payments	0	7,46,950	7,46,950	3,73,475	3,73,475

(-) Amount Deposited in Banks	0	0	0	0	0
Closing Cash in hand as on 30.12.2016	0	50,000	50,000	25,000	25,000

25.43 Other disclosures as per Schedule III of the Companies Act, 2013

Particulars	Current year (Rs.)	Previous year (Rs.)
Value of Imports calculated on CIF basis		
- Capital Goods	-	-
Total	-	-
Expenditure in Foreign Currency		
- Travelling Expenditure	26,89,776	16,03,888
- Training Expenses	-	-
Total	26,89,776	16,03,888

25.44 In case of Renewable Power Corporation of Kerala Limited, Lucknow Solar Power Development Corporation Limited, Karnataka Solar Power development corporation Limited, Himachal Renewables Limited & Rewa Ultra Mega Ltd, the JVC Companies has not commenced its commercial production, expenses incurred during the year have been shown under Capital Work in progress.

25.45 In case of Karnataka Solar Power Development Corporation Limited Since, the KSPDCL is a Joint Venture Company of KREDL, GoK and SECI, GoI. The Share Capital of KREDL is Rs.50,00,000/- and SECI is Rs.50,00,000/- totally Rs.1.00 Crore. The Share Capital, of Rs.1.00 Crores is deposited in the form of Fixed Deposits at Vijaya Bank, Cunningham road branch Bangalore. The Interest accrued as at the end of FY 2016-17 on FD of Share Amount is Rs. 11,86,558/.

25.46 Previous year's figures have been rearranged or regrouped wherever necessary to make them comparable with the current year. Further the Previous Year Figures has been Merged on the basis of Previous Year Figures as Shown by the Companies & Its Joint Venture Companies, In Current year financial statement therefore, the Same is not Comparable to the Previous Year Figures in the Financial Statements.

25.47 The notes to Financial statement has been consolidated on the basis of Audited Financial Statements & Notes of Solar Energy Corporation of India Limited (Standalone) & 3 Joint Venture companies & unaudited financial statements & Notes of Jointly controlled entities of 3 Joint venture companies. The effect of all accounting standard in the notes is on the basis of such audited Financial Statements of Solar Energy Corporation of India Limited (Standalone) & audited and unaudited financial statements of Jointly controlled entities.

For and Behalf of Board of Directors

Sd/-
(Sunil Kumar)
Company Secretary
Membership No. 17693

Sd/-
(C Kannan)
Director (Finance)
DIN 06458185

Sd/-
(Dr. Ashvini Kumar)
Managing Director
DIN 03547234

Signed In Terms of our Audit Report of Even Date

For RSPH & Associates
Chartered Accountants
FRN No.003013N

Place : New Delhi
Date: 25.07.2017

Sd/-
(CA. Tarun Kumar Batra)
Partner
Membership No.094318

Form AOC-1

[Pursuant to the first proviso to sub - section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014]

Statement containing salient features of the financial statement of the financial statement of subsidiaries/associate companies/joint ventures

Part "A" Subsidiaries

(Information in respect of each subsidiary to be presented with amounts in Rs.)

Sl. No.	Particulars	Details
1.	Name of the subsidiary	NA
2.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	
3.	Reporting Currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	
4.	Share capital	
5.	Reserves & surplus	
6.	Total Assets	
7.	Total Liabilities	
8.	Investments	
9.	Turnover	
10.	Profit before taxation	
11.	Provision for taxation	
12.	Profit after taxation	
13.	Proposed Dividend	
14.	% of Shareholding	

Notes: The following information shall be furnished at the end of the statement:

- Names of subsidiaries which are yet to commence operations
- Names of subsidiaries which have been liquidated or sold during the year.

Part "B" Associates and Joint Ventures

Statement pursuant to Section 129(3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

Name of Joint Ventures	Andhra Pradesh Solar Power Corporation Private Limited	Karnataka Solar Power Development Corporation Limited	Lucknow Solar Power Development Corporation Limited	Rewa Ultra Mega Solar Limited	Renewable Power Corporation of Kerala Limited	Himachal Renewables Limited
1. Latest audited Balance Sheet Date	31/03/2016	31/03/2017	31/03/2016	31/03/2017	N.A	31/03/2017
2. Shares of Joint Ventures held by the Company on the year end	50%	50%	50%	50%	50%	50%
Nos.	50,000	5,00,000	5,00,000	10,000	5,000	2,500
Amount of Investment in Joint Venture	Rs.5,00,000	Rs.50,00,000	Rs.50,00,000	Rs.1,00,00,000	Rs.50,00,000	Rs.25,00,000
Extend of Holding%	50%	50%	50%	50%	50%	50%
3. Description of how there is significant influence	Control of more than 20% of total Share capital in the joint venture	Control of more than 20% of total Share capital in the joint venture	Control of more than 20% of total Share capital in the joint venture	Control of more than 20% of total Share capital in the joint venture	Control of more than 20% of total Share capital in the joint venture	Control of more than 20% of total Share capital in the joint venture
4. Reason why the joint venture is not Consolidated	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable
5. Net worth attributable to shareholding as per latest audited Balance Sheet	Rs. 225,10,00,000	Rs. 1,00,00,000	Rs. 1,00,00,000	Rs. 2,00,00,000	N.A.	Rs. 50,00,000

6. Profit/Loss for the year						
i. Considered in Consolidation	Nil	Nil	Nil	Nil	Nil	Nil
ii. Not Considered in Consolidation						

1. Names of associates or joint ventures which are yet to commence operations.

- (a) Karnataka Solar Power Development Corporation Limited
- (b) Lucknow Solar Power Development Corporation Limited
- (c) Rewa Ultra Mega Solar Limited
- (d) Renewable Power Corporation of Kerala Limited
- (e) Himachal Renewables Limited

2. Names of associates or joint ventures which have been liquidated or sold during the year.

Not Applicable

For and Behalf of Board of Directors

sd/-

**(Sunil Kumar)
Company Secretary
Membership No. 17693**

sd/-

**(C Kannan)
Director (Finance)
DIN 06458185**

sd/-

**(Dr. Ashvini Kumar)
Managing Director
DIN 03547234**

Signed In Terms of our Audit Report of Even Date

**For RSPH & Associates
Chartered Accountants
FR No. 003013N**

**Place : New Delhi
Date : 25.07.2017**

**Sd/-
(CA. Tarun Kumar Batra)
Partner
Membership No. 094318**

Details of Bankers, Auditors, Company Secretary & Corporate Office Address of Solar Energy Corporation of India Limited

Bankers:

Andhra Bank
Axis Bank Limited
Bank of India
Canara Bank
HDFC Bank Ltd
ICICI Bank
Indusind Bank Limited
IDFC Bank Limited
State Bank of India
Union Bank of India
Vijaya Bank

Statutory Auditor:

RSPH & Associates
Formerly R.K.Batra & Co.,
Chartered Accountants
906, Vikram Tower
16, Rajendra Place,
New Delhi 110008

Company Secretary:

Shri. Sunil Kumar Mehlawat

Corporate Office

D-3, 1st Floor, Wing-A,
Prius Building, District Center,
Saket, New Delhi, Delhi-110017



सोलर एनर्जी कॉरपोरेशन ऑफ इंडिया लि.
(भारत सरकार का उपक्रम)
SOLAR ENERGY CORPORATION OF INDIA LTD.
(A GOVERNMENT OF INDIA ENTERPRISE)