Auditor's Report On Quarterly Financial Results and Year to Date Results of BilPower Limited Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

To,
Board of Directors of
BilPower Limited

1. We have audited the quarterly financial results of BilPower Limited (the company) for the quarter ended March 31, 2017 and the year to date financial results for the period from April 1, 2016 to March 31, 2017, attached herewith, being submitted by the company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. These quarterly financial results as well as year to date financial results have been prepared on the basis of the interim financial statements, which are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial results based on our audit of such interim financial statements, which have been prepared in accordance with the recognition and measurement principles laid down in Accounting Standard for Interim Financial Reporting (AS) 25, prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India.

2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial results are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts disclosed as financial results. An audit also includes assessing the accounting principles used and significant estimates made by the management. We believe that our audit provides a reasonable basis for our opinion.

3. The company has sent letters to customers in respect of trade receivable for confirming balances outstanding as at March 31, 2017 but the customers have not sent written confirmation confirming the balance outstanding as at 31st March, 2017. In the absence of confirmation, any provision to be made for adverse variation in the carrying amounts of trade receivable is not qualified.

4. The company has not provided for interest payable to State Bank of India amounting to Rs 869.97 lacs for the quarter ended 31st March 2017. Further, the company has also not provided for interest amounting to Rs. 2503.74 lacs for the period of nine months ending 31st December, 2016. The Company has also not made any provision for penal interest claimed by the bank. The amount of penal interest cannot be quantified as the details have not been received from the bank. As a result, the loss for the quarter/ year ended 31st March 2017 is understated by Rs 869.97 lacs / Rs. 3373.71 lacs. Also, from the financial year 2013-14 to 2015-16 the company has not provided for interest payable to State Bank of India accumulating to Rs. 6173.67 lacs and as a result the accumulated losses in the Balance Sheet are understated by Rs. 9547.38 lacs upto 31st March, 2017.
5. The lender Bank of Bil Energy Systems Limited has pursuant to certain corporate guarantees given by the company demanded from the company their dues from Bil Energy Systems Limited amounting to Rs 89.84 crores. No provision has been made in the accounts for the probable loss that may arise on account of above demand of Rs 89.84 crores.

6. Loan given includes 6 interest free unsecured loans of Rs.909.72 Lacs.

7. Attention is invited to foot no. 4 to the audited financial results for the quarter under review regarding the financial statements/ results being prepared on a going concern basis, notwithstanding the fact that the company’s net worth is fully eroded due to high losses for the financial years 2011-2012, 2012-2013, 2013-2014, 2014-2015, 2015-2016 and also for the year ended on 31st March 2017. The appropriateness of the said basis is inter alia dependent on the company’s ability to infuse requisite funds for meeting its obligations, rescheduling of debt and resuming normal operations.

8. In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matter described in paragraph 3,4,5,6 & 7 above these quarterly and year to date financial results:

i. Have been prepared in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 in this regard; and

ii. Give a true and fair view of the net profit and other financial information for the quarter ended March 31, 2017 as well as net profit for the year to date results for the period from April 01, 2016 to March 31, 2017.

For Bansal Bansal & Co.
Chartered Accountants
FRN: 100986W

CA Manoj Agrawal
Partner
M No: 107624

Place: Mumbai
Date: May 30, 2017
ANNEXURE I

Statement on Impact of Audit Qualifications (for audit report with modified opinion) submitted along-
with Annual Audited Financial Results - (Standalone and Consolidated separately)

Statement on Impact of Audit Qualifications for the Financial Year ended March 31, 2017
[See Regulation 33 / 52 of the SEBI (LODR) (Amendment) Regulations, 2016]

(Rs. In lacs)

<table>
<thead>
<tr>
<th>I</th>
<th>Sl No.</th>
<th>Particulars</th>
<th>Audited Figures (as reported before adjusting for qualifications)</th>
<th>Adjusted Figures (audited figures after adjusting for qualifications)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td></td>
<td>Turnover / Total income</td>
<td>2698.73</td>
<td>2698.73</td>
</tr>
<tr>
<td>2</td>
<td></td>
<td>Total Expenditure</td>
<td>1648.34</td>
<td>5022.05</td>
</tr>
<tr>
<td>3</td>
<td></td>
<td>Net Profit/(Loss)</td>
<td>1050.39</td>
<td>(2323.32)</td>
</tr>
<tr>
<td>4</td>
<td></td>
<td>Earnings Per Share</td>
<td>5.00</td>
<td>(11.06)</td>
</tr>
<tr>
<td>5</td>
<td></td>
<td>Total Assets</td>
<td>9912.19</td>
<td>9912.19</td>
</tr>
<tr>
<td>6</td>
<td></td>
<td>Total Liabilities</td>
<td>9912.19</td>
<td>9912.19</td>
</tr>
<tr>
<td>7</td>
<td></td>
<td>Net Worth</td>
<td>(11330.12)</td>
<td>(14703.83)</td>
</tr>
<tr>
<td>8</td>
<td></td>
<td>Any other financial item(s) (as felt appropriate by the management)</td>
<td>Nil</td>
<td>Nil</td>
</tr>
</tbody>
</table>

II Audit Qualification (each audit qualification separately):

a) Details of Audit Qualification:

1) With regards to pending confirmation of balances.
   The company has sent letters to customers in respect of trade receivable for confirming balances outstanding as at March 31, 2017 but in most of the cases the customers have not sent written confirmation confirming the balance outstanding as at 31st March, 2017. In the absence of confirmation, any provision to be made for adverse variation in the carrying amounts of trade receivable is not qualified.

2) Regarding non provision of demand of Rs. 215.80 Crores received from State Bank of India in respect of Corporate Guarantee given by the company in respect of Loan Facilities availed by Bil Energy Systems Limited.
   The lender Bank of Bil Energy Systems Limited has pursuant to certain corporate guarantees given by the company demanded from the company their dues from Bil Energy Systems Limited amounting to Rs 89.84 crores. No provision has been made in the accounts for the probable loss that may arise on account of above demand of Rs 89.84 crores.

3) Regarding non provision of Interest on various loans availed from State Bank of India for the Financial Year 2016-17.
   The company has not provided for interest payable to State Bank of India amounting to Rs 869.97 lacs for the quarter ended 31st March, 2017. Further, the company has also not provided for interest amounting to Rs. 2503.74 lacs for the period of nine months ending 31st
December, 2016. The Company has also not made any provision for penal interest claimed by the bank. The amount of penal interest cannot be quantified as the details have not been received from the bank. As a result, the loss for the quarter/year ended 31st March 2017 is understated by Rs. 869.97 lacs / Rs. 3373.71 lacs. Also from the financial year 2013-14 to 2015-16 the company has not provided for interest payable to State Bank of India accumulating to Rs. 6173.67 lacs and as a result the accumulated losses in the Balance Sheet are understated by Rs. 9547.38 lacs upto 31st March, 2017.

4) With Regards to preparation of Financial Statements on Going Concern.
Attention is invited to foot no. 4 to the audited financial results for the quarter under review regarding the financial statements/ results being prepared on a going concern basis, notwithstanding the fact that the company's net worth is fully eroded due to high losses for the financial years 2011-2012, 2012-2013, 2013-2014, 2014-2015, 2015-16 and also for the year ended on 31st March 2017. The appropriateness of the said basis is interalia dependent on the company's ability to infuse requisite funds for meeting its obligations, rescheduling of debt and resuming normal operations.

5) Regarding Interest Free Loan Given.
Loan given includes 6 interest free unsecured loans of Rs.909.72 Lacs.

| b) | Type of Audit Qualification : Qualified Opinion / Disclaimer of Opinion / Adverse Opinion |
| c) | Frequency of qualification: Whether appeared first time / repetitive / since how long continuing |
| d) | For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views: |
| e) | For Audit Qualification(s) where the impact is not quantified by the auditor: |

**With reference to point No. 2**
Bil Energy Systems Limited, the Borrower in whose favour the Company has given Corporate Guarantee to State Bank of India, has informed the Company that they are in negotiation with the Lender Bank for settlement/ Re-schedulement of dues and Hence no provision has been made in the account.

**With reference to point No. 3**
Based on the Legal advice received by the Company, it has been decided not to provide any interest on liability of State Bank of India.

**With reference to point No. 5**
The Company is trying to ensure that interest will be provided in subsequent years.

(i) Management's estimation on the impact of audit qualification:

(ii) If management is unable to estimate the impact, reasons for the same:

**With reference to point No. 1**
The Board considers all outstanding balance of customers as on 31st March, 2017 as good and recoverable excepting those considered doubtful and provided for during the
financial year 2016-17.

With reference to point No. 4
The above Auditors remarks are self explanatory.

(iii) Auditors' Comments on (i) or (ii) above: Satisfactory

<table>
<thead>
<tr>
<th>III</th>
<th>Signatories</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>CEO / Managing Directors</td>
</tr>
<tr>
<td></td>
<td>CFO</td>
</tr>
<tr>
<td></td>
<td>Audit Committee Chairman</td>
</tr>
<tr>
<td></td>
<td>Statutory Auditor</td>
</tr>
</tbody>
</table>

Place: Mumbai
Date: 30.05.2017