

SOLAR DYNAMICS PRIVATE LIMITED

3RD ANNUAL REPORT

2012 - 13

BOARD OF DIRECTORS

SANJAY SANGHI	-	DIRECTOR
VINITA SURANA	-	DIRECTOR
LAKSHMAN RAJU RACHERLA	-	DIRECTOR

REGISTERED OFFICE

5th Floor, Surya Towers,
Sardar Patel Road,
Secunderabad – 500 003.

AUDITORS

M/s. Sekhar & Co.
Chartered Accountants
133/4, R P Road,
Secunderabad – 500 003.

WORKS

1. Kurichampatti Village
V.K. Pudur Taluk, Tirunelveli Dist
Tamilnadu
2. Thekkampatti Village, Andipatti Taluk,
Theni District, Tamilnadu.

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 3RD Annual General Meeting of the Members of **SOLAR DYNAMICS PRIVATE LIMITED** will be held on Monday, the 03rd day of June, 2013 at 11.30 A.M. at the Registered office of the Company at 5th Floor, Surya Towers, S.P.Road, Secunderabad – 500 003 to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Balance Sheet as on 31st March, 2013 together with Auditors' Report & Directors' Report thereon.
2. To appoint M/s. Sekhar & Co., Chartered Accountants, Auditors, to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to authorise the Board to fix their remuneration.

By Order of the Board
for **SOLAR DYNAMICS PRIVATE LIMITED**

Place: Secunderabad
Date: 02.05.2013

Sd/-
SANJAY SANGHI
DIRECTOR

NOTES:

1. A member entitled to attend and vote is entitled to appoint a proxy to attend, and, on a poll, to vote instead of himself and such proxy need not be a member.
2. The proxy, in order to be effective, must be deposited at the Registered Office of the Company not less than 48 hours before the commencement of the meeting.

DIRECTORS' REPORT

Dear Members,

Your Directors have pleasure in presenting the 3rd Annual Report together with Audited Statement of Accounts of the Company for the year ended 31st March, 2013.

Financial Results:

The Company results for the year in comparison with previous year are given below in a summarized format:

Particulars	2012-13 (Rs)	2011-12 (Rs)
Income	-	-
Total Income	-	-
Expenditure	74,51,563	4,847
Profit for the year	(74,51,563)	(4,847)
Profit before Taxation	(74,51,563)	(4,847)
Profit after Taxation	(74,51,563)	(4,847)
Balance B\F from Previous year	(8,024)	(3,177)
Balance Carried to Balance Sheet	(74,59,587)	(8024)
EPS-BASIC & DILUTED	(745)	(0.48)

Fixed Deposits:

During the year, the company did not accept any deposits falling under Section 58A /58AA of the Companies Act, 1956.

Review of Business Operations:

During the year the Company acquired 2 Windmills situated at Tirunelveli District, Tamilnadu and Theni District, Tamilnadu having total capacity of 2.15 MW. The Company has started the Wind power generation operations and entered Power Purchase agreement With Selvakumar Spinners Pvt Ltd., and Swami Palani Andavar Spinners India Pvt. Ltd., under Group captive.

Directors' Responsibility Statement:

Your Directors would like to inform members that the audited accounts containing the Financial statements for the Financial year ended 31st March 2013 are in full conformity with the requirement of the Companies Act and they believe that the financial statements reflect the form and substance of transactions carried out during the year and reasonably present the company's financial conditions and results of operation. **M/s Sekhar & Co., Statutory Auditors** have audited these financial statements. Your Directors further confirm that

- i) In the preparation of the annual accounts for the Financial Year ended 31st March, 2013 the applicable accounting standards have been followed along with proper explanation relating to material departures.

- ii) The Directors have selected such accounting policies and applied them consistently and made judgment and estimate that are reasonable and prudent so as to give true and fair view of the state of affairs of the Company at the end of the financial year and profit or loss of the Company for the year under review.
- iii) The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- iv) The Directors have prepared the annual accounts for the Financial Year ended 31st March, 2013 on 'going concern' basis.

Particulars in respect of conservation of energy, technology absorption, foreign exchange earnings and outgo

Information as required under Section 217 (1) (e) of the Companies Act, 1956 read with the Companies (Disclosure of particulars in the Report of Board of Directors) Rules, 1988, forms part of this Report and is annexed herewith.

Auditors

M/s. Sekhar & Co., Chartered Accountants, Auditors of the Company retire at the conclusion of this Annual General Meeting and are eligible for re-appointment. The Company is in receipt of confirmation from M/s Sekhar & Co., that in the event of their re-appointment as Statutory Auditors of the Company at the ensuing Annual General Meeting, such re-appointment will be in accordance with the limits specified in Sub-section (1B) of Section 224 of the Companies Act, 1956.

Acknowledgement

Your Directors thanks the Company's bankers, Financial institutions and share holders for their co-operation and continued support to the company. The directors also wish to thank all the employees for their contribution and continued co-operation though out the year and the members for the confidence reposed by them in the management.

**For and on behalf of the Board
for SOLAR DYNAMICS PRIVATE LIMITED**

Place: Secunderabad
Date: 02.05.2013

**Sd/-
SANJAY SANGHI
DIRECTOR**

ANNEXURE TO THE DIRECTORS REPORT

Information under Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of particulars in the Report of Board of Directors) Rules, 1988, and forming part of the Directors Report:

1. CONSERVATION OF ENERGY:

Energy conservation measures taken: The Company is very careful in using the power to reduce the cost of maintenance and conserve the resources.

Additional Investments and proposals, if any, being implemented for reduction of consumption of energy: Nil

Impact of the clause (1) and (2) above for reduction of energy consumption and consequent impact on the production of goods: N.A

2. TECHNOLOGY ABSORPTION:

FORM B:

(Disclosure of particulars with respect to technology absorption)

A. RESEARCH AND DEVELOPMENT (R&D)

- | | | |
|--|---|-----|
| 1. Specific areas in which R& D carried out by the Company | : | Nil |
| 2. Benefits derived as a result of the above R& D | : | Nil |
| 3. Future plan of action | : | Nil |
| 4. Expenditure on R & D | : | Nil |

B. TECHNOLOGY ABSORPTION, ADOPTION AND INNOVATION

The Company is making all efforts for improving productivity, product quality and reducing consumption of scarce raw material and fuels.

3. FOREIGN EXCHANGE EARNINGS AND OUTGO:

Activities relating to exports, initiatives taken to increase exports, development of new export market for products and services and export plans:

Foreign Exchange inflow	:	NIL
Foreign Exchange Outgo	:	NIL

By Order of the Board
for **SOLAR DYNAMICS PRIVATE LIMITED**

Place: Secunderabad
Date: 02.05.2013

Sd/-
SANJAY SANGHI
DIRECTOR



SEKHAR & CO.

CHARTERED ACCOUNTANTS

PARTNERS :

K.C. Devdas, B.Com., F.C.A.
C. Amarnath, B.Com., LLB., F.C.A. DISA (ICA)
G. Ganesh, B.Com., F.C.A. DISA (ICA)

Independent Auditors' Report

The Members of Solar Dynamics Private Limited Hyderabad

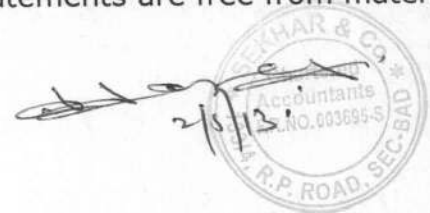
We have audited the accompanying financial statements of **Solar Dynamics Private Limited** ("the Company"), which comprise the Balance sheet as at March 31, 2013, the Statement of Profit and Loss and Cash Flow for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The management is responsible for preparation of these financial statement that give a true and fair view of the financial position, financial performance and cash flows of the company in accordance with Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956 ('the Act'). This responsibility includes design, implementation and maintenance of internal control 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 financial statements based on our audit. We conducted our audit in accordance with the Standards in Auditing issued by the Institute of Chartered Accountants of India. 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.



Audit Report For the Financial year 2012-13
Company Name: Solar Dynamics P Ltd 12-13

Sekhar & Co Chartered Accountants FRN 003695-S
Signed by G.Ganesh M.No.211704 Date 2/5/2013

An Audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The Procedures selected depend on the auditor's judgment, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements

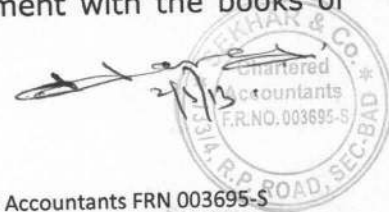
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

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

- (a) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013;
- (b) In the case of the Profit and Loss Account, of the ~~profit~~ loss for the year on that date; and
- (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

1. This report does not include a statement on the matters specified in paragraph 4 of the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, since in our opinion and according to the information and explanations given to us, the said order is not applicable to the company.
2. As required by by section 227(3) of the Act we report that:
 - a. we have 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 appears from our examination of those books.
 - c. the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;



- d. in our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956;
- e. on the basis of written representations received from the directors as on March 31, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

Hyderabad
Date: 2nd May 2013

For Sekhar & Co
Chartered Accountants
Firm Registration No: 003695-S

G.Ganesh
(Partner)
Membership No: 211704




SOLAR DYNAMICS PRIVATE LIMITED
BALANCE SHEET AS AT 31ST MARCH, 2013

(Amount in Rs.)

	Particulars	Note No.	As at 31.03.2013	As at 31.03.2012
I	EQUITY AND LIABILITIES			
	1. SHAREHOLDERS' FUNDS			
	a. Share Capital	B	100,000	100,000
	b. Reserves and Surplus	C	(7,459,587)	(8,024)
			(7,359,587)	91,976
	2. NON-CURRENT LIABILITIES			
	a. Long Term Borrowings	D	135,296,375	-
	3. CURRENT LIABILITIES			
	a. Other Current Liabilities	E	363,639	1,685
	TOTAL		128,300,427	93,661
II	ASSETS			
	1. NON-CURRENT ASSETS			
	a. Fixed Assets			
	(1) Tangible Assets	F	107,949,212	
	2. CURRENT ASSETS			
	a. Trade Receivables	G	18,392,503	
	b. Inventories	H	1,874,771	
	c. Cash and Cash Equivalents	I	80,897	89,095
	d. Other Current Assets	J	3,044	4,566
	TOTAL		128,300,427	93,661
	Significant Accounting Policies and Notes to Accounts	A	-	

Signatories to Balance Sheet and Notes A to J
The Notes referred to above form an integral part of the Balance Sheet
This is the Balance Sheet referred to in our report of even date

For Sekhar & Co.,
Chartered Accountants,


G. GANESH,
Partner
M. No. 211704
Firm Reg No.003695-S

Place: Secunderabad,
Date: 29/3/13

for and on behalf of the Board,

 
Lakshman Raju Sanjay Sanghi
Director Director


SOLAR DYNAMICS PRIVATE LIMITED
PROFIT AND LOSS ACCOUNT FOR THE PERIOD ENDED 31ST MARCH, 2013

(Amount in Rs.)

	Note No.	For the Period 31.03.2013	For the Period 31.03.2012
I. REVENUE FROM OPERATIONS		-	-
II. OTHER INCOME		-	-
III. TOTAL REVENUE		-	-
IV. EXPENSES			
Change In Inventories	1	(1,874,771)	
Finance Charges	2	5,811,608	600
Other expenses	3	811,721	4,247
Depreciation		2,703,005	-
TOTAL EXPENSES		7,451,563	4,847
V. PROFIT BEFORE EXCEPTIONAL AND EXTRAORDINARY ITEMS AND TAX		(7451563)	(4847)
VI. PROFIT BEFORE EXTRAORDINARY ITEMS AND TAX		(7451563)	(4847)
VII. EXTRAORDINARY ITEMS		-	-
VIII. PROFIT BEFORE TAX		(7451563)	(4847)
IX. TAX EXPENSE			
1. Current tax		-	-
X. PROFIT AFTER TAX		(7451563)	(4847)
EPS-BASIC & DILUTED		(745)	(0.48)
Significant Accounting Policies and Notes to Accounts	A		

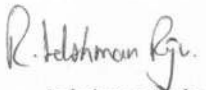
Signatories to Profit & Loss Account and Notes 1-3 & A
The Notes referred to above form an integral part of the Profit & Loss Account
This is the Profit & Loss Account referred to in our report of even date

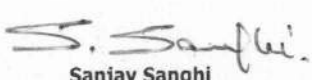
For Sekhar & Co.,
Chartered Accountants,


G. GANESH,
Partner
M. No. 211704
Firm Reg No.003695-S

Place: Secunderabad,
Date : 28/3/13.

for and on behalf of the Board,


Lakshman Raju
Director


Sanjay Sanghi
Director

SOLAR DYNAMICS PRIVATE LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2013

(Amount in Rs.)

	PARTICULARS	2012-13	2011-12
A	Cash flow from Operating Activities		
	Net profit before tax as per annexed Profit and loss account	(7,451,563)	(4,847)
	Add: Adjustments for:		
	Depreciation	2,703,005	
	Preliminary Expenses Written off	1,522	1,522
	Operating profit before working Capital Changes	(4747036)	(3325)
	Sundry Debtors	(18,392,503)	-
	Trade payables and other Current liabilities	361,954	30
	Inventories	(1,874,771)	
	Advance from Customers	-	-
	Cash generated from Operations	(24652356)	(3295)
	Income tax and Fringe Benefit Tax paid	-	-
	Taxes of Earlier years	-	-
	Net cash (used in)/from operating activities(A)	(24652356)	(3295)
B	Cash flow from Investing Activities		
	Purchase of Fixed Assets	(110,652,217)	-
	Net Cash (used in)/from Investing Activities (B)	(110,652,217)	-
C	Cash flow from Financing Activities		
	Loans from Directors	135,296,375	-
	Interest paid	-	-
	Net Cash (used in)/from Financing Activities (C)	135,296,375	-
	Net Increase / Decrease in cash and Cash Equivalents (A+B+C)	(8,198)	(3,295)
	Cash and Cash Equivalents Opening Balance	89,095	92,390
	Cash and Cash Equivalents Closing Balance	80,897	89,095
	Change in Cash and Cash Equivalents	(8,198)	(3,295)

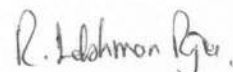

Notes: The above Cash flow statement has been prepared under the "Indirect Method" as set out in Accounting Standard-3 on Cash Flow statement issued by the Institute of Chartered Accountants of India

In terms of our report of even date
For Sekhar & Co.,
Chartered Accountants,

G. GANESH,
Partner
M. No. 211704
Firm Reg No.003695-S



for and on behalf of the Board,


Lakshman Raju
Director

Sanjay Sanghi
Director

Place: Secunderabad,

Date: 2/5/13

Solar Dynamics Private Limited 2012-13

A. Significant Accounting Policies and Notes on Accounts Forming Part of Balance Sheet and Profit & Loss Account

A1. Significant Accounting Policies

I. Basis of Preparation of Financial Statements.

The financial statements are prepared under the Historical cost convention with the generally accepted accounting principles in India and the provisions of the Companies Act, 1956.

II. Use of Estimates

The Preparation of Financial Statements requires estimates and assumptions to be made that effect the reported amount of assets and liabilities on the date of financial statements and reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognized in the period in which the results are known / materialized.

III. Own Fixed Assets

Fixed Assets are stated at cost net of modvat / cenvat / value added tax, less accumulated depreciation and impairment loss, if any. Any costs, including financing costs till commencement of commercial production, net charges on foreign exchange contracts and adjustments arising from exchange rate variations to the fixed assets are capitalized.

IV. Depreciation

Depreciation is provided on written down value method, except, at the rate and in the manner prescribed in Schedule XIV to the Companies Act, 1956.

V. Impairment of Assets

An asset is treated as impaired when the carrying cost of assets exceeds its recoverable value. An impairment loss is charged to the Profit and Loss account in the year in which an asset is identified as impaired. The impairment loss recognized in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

VI. Provision, Contingent Liabilities and Contingent Assets :

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past event and it is probable that there will be an outflow of resources. Contingent Liabilities which are not recognized are disclosed in notes. Contingent Assets are neither recognized nor disclosed in Statements.

VII. Earnings per Share

The Company reports basic and diluted earnings per share in accordance with Accounting Standard-20 (AS-20) issued by the Institute of Chartered Accountants of India. Basic earnings per share are computed by dividing the net Profit or Loss for the year by the Weighted Average number of equity share outstanding during the year. Diluted earnings per share is computed by dividing the net profit or loss for the year by weighted average number of equity shares outstanding during the year as adjusted for the effects of all dilutive potential equity shares, except where the results are anti-dilutive.

VIII. Revenue Recognition

Revenue Is Recognised on Accrual Basis.

Solar Dynamics Private Limited 2012-13

A-2 Notes to Accounts

- I. Estimated Contractual liability on account of Capital Commitment & Contingent Liability- NIL.
- II. The company was incorporated on 14.09.2010.

III. Related Party Disclosures

a. Relationship

Entities in which Directors are Interested

Surana Telecom and Power Limited
Bhagyanagar Entertainment Limited
Bhagyanagar Energy & Telecom Pvt. Ltd
Corpmedia Publications India Pvt. Ltd.
Solar World Exchange Pvt.Ltd

b. Transactions:

Loans From Holding Company:Rs.135,296,375/-
(NIL)

(Figures In Brackets Indicates Previous Year Transactions.)

Notes to Balance Sheet

Note : B Share Capital	As at 31.03.2013 Rs.	As at 31.03.2012 Rs.
(a) Authorized Capital : 10,000 equity shares of Rs.10 each	100,000	100,000
(b) Issued and Subscribed 10,000 equity shares of Rs.10 each carrying equal rights and obligations (Options, contracts and commitments outstanding -Nil)	100,000	100,000
(c) Particulars of Shareholders holding more than 5% of issued sharecapital (5% of 10,000 shares i.e.500 shares)		
Name of Shareholder	No.of shares	No.of shares
Bhagyanagar India Limited	7,400	-
Selvakumar Spinning Mills Pvt.Limited	2,321	-
Vinita Surana	-	9,990

Note : C Reserves and Surplus	As at 31.03.2013 Rs.	As at 31.03.2012 Rs.
Surplus		
Balance of Profit & Loss account available for appropriation	(8,024)	(3,177)
Add: Profit during the year/period	(7,451,563)	(4,847)
Amount available for appropriation	-	-
Balance at the year end	(7,459,587)	(8,024)

Note: D Long Term Borrowings	As at 31.03.2013 Rs.	As at 31.03.2012 Rs.
(a) Loans From Holding Company	135,296,375	-
Total	135,296,375	-

(Note: The Loans taken from Holding Company are Interest free and there is no specific Schedule of Repayment)

Note: E Other Current Laibilities	As at 31.03.2013 Rs.	As at 31.03.2012 Rs.
(a) Audit Fees Payable	2,810	1,685
(b) T.D.S Payable	360,829	-
Total	363,639	1,685

SOLAR DYNAMICS PRIVATE LIMITED

Annexure: F - Fixed Assets

Particulars	Land	Plant & Machinery	Grand Total
Rate of Depreciation 5.28%			
A. Gross Block			
At 31st March, 2012	-	-	-
Additions	1,740,385	108,911,832	110,652,217
Disposals	-	-	-
At 31st March, 2013	1,740,385	108,911,832	110,652,217
B. Depreciation			
At 31st March, 2012	-	-	-
Charge for the Year	-	2,703,005	2,703,005
Disposals	-	-	-
At 31st March, 2013	-	2,703,005	2,703,005
C. Net Block (A-B)			
At 31st March, 2012	-	-	-
At 31st March, 2013	1,740,385	106,208,827	107,949,212
Additions			
Particulars	Rate	Date of Addition	No. of Days
Land SVL		01-Oct-2012	1620100
Land BIL		01-Nov-2012	120285
Total			1,740,385
			0
			1,740,385
Plant & Machinery			
Plant & Machinery BIL	5.28%	01-Oct-2012	181
Plant & Machinery SVL	5.28%	01-Nov-2012	150
Total			108,911,832
			2,703,005
			106,208,827

Particulars	Gross	Dep	31-Mar-13
Land SVL	1620100		1,620,100
Land BIL	120285		120,285
Total	1,740,385	0	1,740,385

Plant & Machinery BIL	73,783,000
Plant & Machinery SVL	32,425,827
Total	106,208,827

ASSETS :

Note: G Trade Receivables	As at 31.03.2013 Rs.	As at 31.03.2012 Rs.
(i) Aggregate amount of Trade Receivables outstanding for a period less than six months Unsecured, considered good	18,392,503	-
(ii) Aggregate amount of Trade Receivables outstanding for a period exceeding than six months Unsecured, considered good	-	-
Total	18,392,503	-

Note: H Inventories	As at 31.03.2013 Rs.	As at 31.03.2012 Rs.
(a) Closing Stock Of Windpower	1,874,771	-
Total	1,874,771	-

Note: I Cash and Cash Equivalents	As at 31.03.2013 Rs.	As at 31.03.2012 Rs.
(a) Balance with banks - In current account	13,297	17,320
(b) Cash in hand	67,600	71,775
Total	80,897	89,095

Note: J Other Current Assets	As at 31.03.2013 Rs.	As at 31.03.2012 Rs.
Unamortised Expenses:		
Preliminary Exp (Op Bal)	4,566	6,088
Less : Preliminary Exp written off	1,522	1,522
Total	3,044	4,566

Notes to Profit & Loss Account


Note: 1 Change In Inventories	For the Period	For the year
	Rs.	Rs.
Opening Stock of Wind Power	-	-
Less: Closing Stock of Wind power	1,874,771	-
TOTAL	(1,874,771)	-

Note: 2 Finance Charges	For the Period	For the year
	31.03.2013 Rs.	31.03.2012 Rs.
Bank Charges	448	600
Interest on Loans	5,811,160	-
Total other expenses	5,811,608	600

Note: 3 Other Expenses	For the Period	For the year
	31.03.2013 Rs.	31.03.2012 Rs.
Statutory audit fees	2,810	1,685
Insurance	63,222	-
Filing fees	1,694	1,040
Preliminary Exp written off	1,522	1,522
Rates & Taxes	1,000	-
Repairs & Maintenance to Machinery	688,102	-
Professional & Consultancy Charges	3,371	-
Application Fees	50,000	-
Total other expenses	811,721	4,247

For Sekhar & Co.,
Chartered Accountants,

for and on behalf of the Board,


24/3/13
G. GANESH,
Partner
M. No. 211704
Firm Reg No.003695-S




Lakshman Raju
Director


Sanjay Sanghi
Director

Place: Secunderabad,
Date: 24/3/13