

SOLAR DYNAMICS PRIVATE LIMITED

4TH ANNUAL REPORT

2013 - 14

For SOLAR DYNAMICS PVT. LTD.

M. Surana

Director

BOARD OF DIRECTORS

DEVENDRA SURANA	-	DIRECTOR
VINITA SURANA	-	DIRECTOR
LAKSHMAN RAJU RACHERLA	-	ALTERNATE DIRECTOR

REGISTERED OFFICE

SY-622, PT-02, Arihant Enclave, Akbar Road,
Opp. Adrin HSG Complex, Tarbund
Secunderabad – 500 009
Andhra Pradesh

AUDITORS

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

WORKS

Non-Conventional Energy (Wind)

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

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 4TH Annual General Meeting of the Members of **SOLAR DYNAMICS PRIVATE LIMITED** will be held on Tuesday, the 17th day of June, 2014 at 11.30 A.M. at the Corporate 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, 2014 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.

SPECIAL BUSINESS:

3. To consider and, if thought fit, to pass, with or without modifications, the following resolution as an **ORDINARY RESOLUTION**:

“RESOLVED THAT pursuant to the provisions of Section 149, 152, 161 and any other applicable provisions of the Companies Act, 2013 and Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) made there under read with Schedule IV to the Act, Shri Devendra Surana, who was appointed as an Additional Director of the Company by the Board of Directors w.e.f. 30.09.2013 and who holds office up to the date of this Annual General meeting and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013 proposing the candidature for the office of the Director of the Company, be and is hereby appointed as Director of the Company.”

4. To consider and, if thought fit to pass with or without modification(s), the following resolution as a **SPECIAL RESOLUTION**:

“RESOLVED THAT pursuant to Section 180(1)(c) and any other applicable provisions of the Companies Act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force), the Company hereby accords its consent to the Board of Directors for borrowing any sums of money from time to time from any one or more persons, firms, bodies corporate, or financial institutions whether by way of cash credit, advance or deposits, loans or bill discounting or otherwise and whether unsecured or secured by mortgage, charge, hypothecation or lien or pledge of the Company's assets and properties whether movable or stock-in trade (including raw materials, stores, spare parts and components in stock or in transit) and work-in-progress or all or any of the undertakings of the Company notwithstanding that the moneys to be borrowed together with moneys already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) will or may exceed the aggregate of the paid-up capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose, but, so, however, that the total amount up to which the monies may be borrowed by the Board of Directors and outstanding at any time shall not exceed the sum of Rs. 50 Crores (Rupees Fifty Crores only).”

5. To consider and, if thought fit to pass with or without modification(s), the following resolution as a **SPECIAL RESOLUTION**:

"RESOLVED THAT consent of the Company be and is hereby accorded to the Board of Directors (hereinafter referred as 'the Board', which term shall include its Committee(s) constituted for the purpose) to create mortgages/charges on all or any of the movable and/or immovable properties and assets both present and future or on the whole or substantially whole of the undertaking or undertakings of the Company exclusively or ranking pari-passu with or second or subordinate to the mortgages/charges, if any, already created or to be created in future by the Company, for any loans and/or advances and/or issue of debentures/ bonds and/or guarantees and/or any financial assistance obligations obtained/undertaken/made or that may be obtained/undertaken/made by the Company and/or any one or of its subsidiary/ group companies both present and that which may be established or acquired by the Company in India or abroad, with power to take over the management, business and undertaking of the Company in certain events of default, on such terms and conditions and at such times and in such form and manner as the Board may deem fit, So that the total outstanding amount at any time so secured shall not exceed the amounts consented by the Company by the Resolution passed at this meeting pursuant to Section 180(1)(c) of the Companies Act, 2013 or upto the higher amount/s as may be so consented by the Company from time to time in future, together with interest thereon, and further interest, costs, charges, expenses, remuneration and other moneys payable in connection therewith and that this consent shall also be the consent of the members under and as contemplated by Section 180(1)(a) and other applicable provisions if any of the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof for the time being in force) and the applicable rules made thereunder;

RESOLVED FURTHER THAT the Board be and is hereby authorized to and cause to prepare, finalise, approve and execute on behalf of the Company, all documents, deeds, agreements, declarations, undertakings and writings as may be necessary and/or expedient for giving effect to the foregoing resolution and to vary and /or alter the terms and conditions of the security created/to be created as aforesaid as it may deem fit and generally to do and/or cause to do all acts, deeds matters and things as may be necessary, proper, expedient or incidental for the purpose of giving effect to this resolution."

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



DEVENDRA SURANA
DIRECTOR

Place: Secunderabad
Date: 29.04.2014

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.

STATEMENT PURSUANT TO SECTION 102 (1) OF THE COMPANIES ACT, 2013

Item No. 3

The Board of Directors of the Company appointed Shri Devendra Surana as Additional Director of the Company, pursuant to the provisions of Section 161 of the Companies Act, 2013 and the Article of Association of the Company, w.e.f 30.09.2013. In terms of the provision of the Act, Shri Devendra Surana would hold office upto the date of the ensuing Annual General Meeting.

Shri Devendra Surana is a Mechanical Engineer and holds a Post Graduate Diploma in Management from IIM, Bangalore and chosen as the Best Brain of the batch. He has been in the field of Ferrous, Non –Ferrous, Telecom and Solar and Wind Energy Industry for more than Ten Years.

The Company has received notice from a member under section 160 of the Act proposing the candidature of Shri Devendra Surana for the office of Executive Director of the Company. In the opinion of the Board, Shri Devendra Surana fulfills the requisite for his appointment as Director as specified in the Act. Keeping in view his vast expertise and knowledge it will be in the interest of the Company to appoint Shri Devendra Surana as Executive Director of the Company.

None of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution.

Item No. 4

The members of the Company at their Extra-ordinary General Meeting held on 22.08.2012 had approved by way of an Ordinary Resolution under Section 293(1)(d) of the Companies Act, 1956 borrowings over and above the aggregate of paid up share capital and free reserves of the Company provided that the total amount of such borrowings together with the amounts already borrowed and outstanding at any point of time shall not be in excess of Rs. 50 Crores (Rupees Fifty crores) and for creation of mortgages/charge/hypothecation on all present and future properties of the Company in favour of lenders upto a limit of Rs. 50 crores (Rupees Fifty crores). Section 180 of the Companies Act, 2013 effective from September 12, 2013 requires that consent of the company accorded by way of a special resolution is required to borrow money in excess of the company's paid up share capital and free reserves. Further, as per the clarification issued by the Ministry of Corporate Affairs approval granted by the shareholders by way of an ordinary resolution shall be valid for one year from the date Section 180 became effective.

It is, therefore, necessary for the members to pass a Special Resolution under Section 180(1) (c) and other applicable provisions of the Companies Act, 2013, as set out at Item No. 4 of the Notice. The Board recommends these resolution for approval by the members of the Company. None of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution.

None of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution.

Item No. 5

In order to secure the borrowings/ financial assistance, the Company may be required to create security by way of mortgage/charge and/or hypothecation of its assets and properties both present and future. The terms of such security may include a right in certain events of default, to take over management or control of the whole or substantially the whole of the undertaking(s) of the Company. As per section 180(1) (a) of the Act consent of the Company by Special Resolution is required to be obtained by the Board of Directors to sell, lease or otherwise dispose of the whole or substantially the whole of the undertaking(s) of the Company. Since mortgaging or charging the movable and/or movable properties and assets of the Company with the right of taking over management or control in certain events of default may be considered to be disposal of the Company's undertaking within the meaning of section 180(1) (a) of the Act, it is proposed to seek approval of the shareholders for creating such mortgages and/or charges on the assets and properties of the Company both present and future. Hence the resolution at item no. 5 of the accompanying Notice which your Board recommends for your approval.

None of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution.

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



DEVENDRA SURANA
DIRECTOR

Place: Secunderabad
Date: 29.04.2014

DIRECTORS' REPORT

Dear Members,

Your Directors have pleasure in presenting the 4th Annual Report together with Audited Statement of Accounts of the Company for the year ended 31st March, 2014.

Financial Results:

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

Particulars	2013-14 (Rs)	2012-13 (Rs)
Income	8,57,37,743	-
Total Income	-	-
Expenditure	8,32,19,269	74,51,563
Profit before Taxation	25,18,474	(74,51,563)
Tax	(2975088)	-
Profit after Taxation	54,93,569	(74,51,563)
Balance B/F from Previous year	(74,59,587).	(8,024)
Balance Carried to Balance Sheet	(19,66,024)	(74,59,587)
EPS-BASIC & DILUTED	2.75	(745)

Fixed Deposits:

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

Dividend:

Your Directors have not recommended for payment of dividend for the Financial year 2012-13.

Directors:

Shri Narender Surana has resigned from the office as director w.e.f 06.12.2013 and Shri. Sanjay Kumar Sanghi has resigned from the office as director w.e.f 30.09.2013. There are no other change in the composition of the Board of the Company.

Review of Business Operations:

During the year the Company has 4 Windmills situated at Tirunelveli District and Theni District, Tamilnadu having total capacity of 5.65 MW. The Company has started the Wind power generation operations and entered Power Purchase agreement With Selvakumar Spinners Pvt Ltd, Swami Palani Andavar Spinners India Pvt Ltd and Supreme Coated Board Mills 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 2014 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, 2014 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, 2014 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.

Compliance Certificate:

In accordance with requirement of Section 383A of the Companies Act, 1956, Certificate from a practicing Company Secretary, certifying that all legal requirements, in respect of the Company for the year ended 31st March, 2014 have been complied with.

Particulars of Employees:

During the period under review, there are no employees covered under Section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of the Employees) Rules, 1975

Auditors

M/s. Sekhar & Co., Chartered Accountants, Auditors of the Company retires 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 Section 139 of the Companies Act, 2013.

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**



DEVENDRA SURANA
CHAIRMAN

Place: Secunderabad
Date: 29.04.2014

ANNEXURE TO THE DIRECTOR'S 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



DEVENDRA SURANA
CHAIRMAN

Place: Secunderabad
Date: 29.04.2014



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 AUDITOR'S REPORT

To The Members of
Solar Dynamics Private Limited

Report on the Financial Statements

We have audited the accompanying Financial Statements of **Solar Dynamics Private Limited** ("the Company"), which comprise the Balance Sheet as at 31st March 2014, and 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 Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act") read with the General Circular 15/2013 dated 13th September 2013 of the Ministry of Corporate Affairs in respect of Section 133 of Companies Act, 2013. This responsibility includes the 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 on 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.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to



fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the 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 of our audit opinion.

Opinion

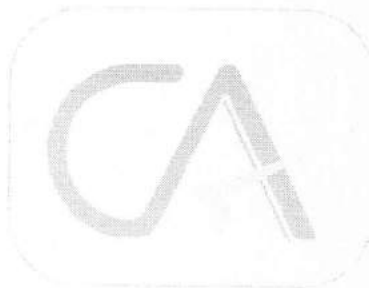
In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March 2014
- b) in the case of Statement of Profit and Loss, the **PROFIT** for the year ended on that date; and
- c) in the case of the Cash Flow Statement the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required 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 purposes of the 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 sub-section(3C) of section 211 of the Act read with the General Circular 15/2013 dated 13th September 2013 of the Ministry of Company Affairs in respect of Section 133 of the Companies Act 2013; and
- e. on the basis of written representations received from the directors as on March 31, 2014 and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Act.



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



G. Ganesh
28/4/2014
G.GANESH
PARTNER
M.NO.211704

Secunderabad
29th April 2014



SEKHAR & CO.

CHARTERED ACCOUNTANTS

PARTNERS :

K.C. Devdas, B.Com., F.C.A.

C. Amarnath, B.Com., LL.B., F.C.A. DISA (ICA)

G. Ganesh, B.Com., F.C.A. DISA (ICA)

Annexure referred to in paragraph 1 of our report of even date
Re: Solar Dynamics Private Limited

- i. a) The Company has maintained proper records showing full particular including quantitative details and situation of fixed assets.
b) As explained to us, the fixed assets have been physically verified by the management according to the phased programme designed to cover all the fixed assets over the year. In respect of fixed assets verified according to this programme, which we consider reasonable, no material discrepancies were noticed on such verification.
c) No Fixed Assets was disposed of during the year.
- ii. a) As explained to us, inventories have been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
b) The procedures explained to us, which are followed by the management for physical verification of inventories, are in our opinion reasonable and adequate in relation to the size of the company and nature of its business.
c) The Company is maintaining proper records of inventory and no material discrepancies were noticed on physical verification.
- iii. a) No loans were granted by the Company, to nay of the parties covered in the register maintained under 301 of the Act. Hence we have not reported on the related matters of this clause and sub-clauses b, c and d.
b) The Company has taken loan from one company covered in the register maintained under section 301 of the Act. The Maximum amount involved and year end outstanding is ₹.24,71,88,514.
c) In our opinion, the rate of interest and other terms and conditions on which loans have been taken from the company listed in the register maintained under section 301 of the Act, are not, *prima facie*, prejudicial to the interest of the company.
d) In our opinion and as per the records examined by us, the payment of principal amount and interest thereon is regular.



29/9/2014

- iv. In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the company and the nature of its business with regard to inventories and fixed assets and with regard to sale of goods and services. We have not observed any major weakness in the internal control system during the course of the audit.
- v. a) According to the information and explanations given to us, we are of the opinion that the particulars of all contracts or arrangements that need to be entered into the register maintained under section 301 of the Act have been so entered.
- b) In respect of transactions made in pursuance of such contracts or arrangements exceeding the value of ₹.Five Lakhs entered into during the financial year, because of the unique and specialized nature of the items involved and absence of any comparable prices, we are unable to comment whether the transactions were made at prevailing market prices at the relevant time.
- vi. The Company has not accepted any deposits from the public within the meaning of sections 58A and 58AA of the Act and rules framed thereunder.
- vii. *There is no internal audit system in the company.* However, the Company has adequate internal control procedure involving checking of its financial records.
- viii. We have broadly reviewed the books of account maintained by the Company pursuant to the rules prescribed by the Central Government. The Central Government of India has not prescribed by the Government under Section 209(1) (d) of the Act, for the products manufactured by the Company and are of the opinion that, *prima facie*, the prescribed accounts and records have been maintained. However, we have not made a detailed examination of the records.
- ix. a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education and protection fund, employee's state insurance, income tax, sales tax, wealth tax, service tax, custom duty, excise duty and any other material statutory dues applicable to it.
- b) According to the information and explanations given to us, no undisputed amounts payable in respect of income tax, sales tax, wealth tax, service tax, customs duty and excise duty were in arrears as at 31st March 2014 for a period more than six months from the date they became payable.

- c) According to the information and explanations given to us, there are no dues of income tax, sales tax, wealth tax, service tax custom duty and excise duty which have not been deposited on account of any dispute.
- x. In our opinion, the accumulated losses of the company are not more than fifty percent of its net worth, *however* it is to be noted that in the immediately preceding financial year the accumulated losses exceeded its net worth by ₹.73,59,587. The company has not incurred a cash loss during the year. However during the immediately *preceding* financial year the company incurred a cash loss of ₹.47,48,558.
- xi. According to the records of the Company examined by us and the information and explanations given to us, the company has not defaulted in repayment of dues to any financial institution or bank or debenture holders, as applicable, as at the Balance sheet date.
- xii. The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- xiii. The company is not a Chit Fund or a Nidhi Mutual benefit Fund / Society. Therefore the provisions of Clause 4(xiii) of the Order are not applicable to the Company.
- xiv. In our opinion and according to the information and explanations given to us the Company is not a Dealer / Trader in Securities.
- xv. According to the information and explanations given to us, the Company has not given any guarantee for loans taken by other from banks or financial institutions.
- xvi. The Company has not taken any term loans and therefor the clause 4(xvi) is not applicable to the company.
- xvii. The Company has not raised any funds on short term basis hence the clause 4(xvii) is not applicable to the Company.
- xviii. The Company has made preferential allotment of shares to the holding Company parties covered in the register maintained under Section 301 of the Act. The prices at which such shares are allotted are not *prima facie* prejudicial to the interest of the Company.
- xix. The Company has not issued any debentures or securities on which charge is to be created during the year.
- xx. The Company has not raised any money by through public issue during the year.
- xxi. During the course of our examination of the books and records of the Company, carried out in accordance with the Generally Accepted Accounting Practice in India and according to the information and

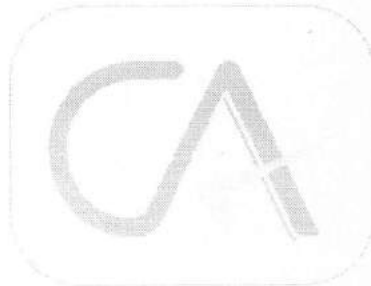
explanations given to us, we have neither come across any instance of fraud on or by the Company noticed or reported during the year, nor we have been informed of such case by the management.

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

Secunderabad
29th April 2014



G. GANESH
Partner
M.No.211704

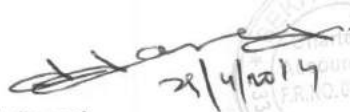



SOLAR DYNAMICS PRIVATE LIMITED
BALANCE SHEET AS AT 31ST MARCH, 2014

(Amount in Rs.)

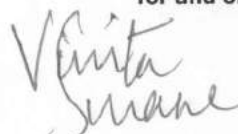
	Particulars	Note No.	As at 31.03.2014	As at 31.03.2013
I	EQUITY AND LIABILITIES			
	1. SHAREHOLDERS' FUNDS			
	a. Share Capital	B	20,000,000	100,000
	b. Reserves and Surplus	C	(1,966,024)	(7,459,587)
			18,033,976	(7,359,587)
	2. NON-CURRENT LIABILITIES			
	a. Long Term Borrowings	D	247,188,514	135,296,375
	3. CURRENT LIABILITIES			
	a. Other Current Liabilities	E	1,049,694	363,639
	TOTAL		266,272,184	128,300,427
II	ASSETS			
	1. NON-CURRENT ASSETS			
	a. Fixed Assets			
	(1) Tangible Assets	F	229,774,698	107,949,212
	(2) Deferred Tax Assets		2,975,088	
	2. CURRENT ASSETS			
	a. Trade Receivables	G	18,216,499	18,392,503
	b. Inventories	H	-	1,874,771
	c. Cash and Cash Equivalents	I	1,720,898	80,897
	d. Short Term Loans & Advances	J	13,585,000	-
	e. Other Current Assets	K	-	3,044
			33,522,397	20,351,215
	TOTAL		266,272,184	128,300,427
	Significant Accounting Policies and Notes to Accounts	A		


As per our report of even date attached
For Sekhar & Co.,
Chartered Accountants,


28/4/2014

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

Place: Secunderabad,
Date : 29th April, 2014

for and on behalf of the Board,


Vinita Surana
Director



Devendra Surana
Director

SOLAR DYNAMICS PRIVATE LIMITED
STATEMENT OF PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2014

(Amount in Rs.)

	Note No.	For the Year 31.03.2014	For the Year 31.03.2013
I. REVENUE FROM OPERATIONS	1	85,325,352	-
II. OTHER INCOME	2	412,391	-
III. TOTAL REVENUE		85,737,743	-
IV. EXPENSES			
Change In Inventories	3	56,465,823	(1,874,771)
Finance Charges	4	14,738,773	5,811,608
Other Expenses	5	5,339,887	811,721
Depreciation		6,674,786	2,703,005
TOTAL EXPENSES		83,219,269	7,451,563
V. PROFIT BEFORE EXCEPTIONAL AND EXTRAORDINARY ITEMS AND TAX		2,518,474	(7,451,563)
VI. PROFIT BEFORE EXTRAORDINARY ITEMS AND TAX		2,518,474	(7,451,563)
VII. EXTRAORDINARY ITEMS		-	-
VIII. PROFIT BEFORE TAX		2,518,474	(7,451,563)
IX. TAX EXPENSE			
1. Current Tax		-	-
1. Deferred Tax		(2,975,088)	-
X. PROFIT AFTER TAX		5,493,563	(7,451,563)
EPS-BASIC & DILUTED		2.75	(745)
Significant Accounting Policies and Notes to Accounts	A		

As per our report of even date attached
For Sekhar & Co.,
Chartered Accountants,

G. Ganesh
29/4/2014

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

Place: Secunderabad,
Date : 29th April, 2014

for and on behalf of the Board,

Vinita Surana
Devendra Surana
Vinita Surana **Devendra Surana**
Director Director

SOLAR DYNAMICS PRIVATE LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2014

(Amount in Rs.)

PARTICULARS	2013-14	2012-13
A Cash flow from Operating Activities		
Net profit before tax as per annexed Profit and loss account	2,518,474	(7,451,563)
Add: Adjustments for:		
Depreciation	6,674,786	2,703,005
Preliminary Expenses Written off	3,044	1,522
Operating profit before working Capital Changes	9,196,304	(4,747,036)
Sundry Debtors	176,004	(18,392,503)
Trade Payables and Other Current Liabilities	686,055	361,954
Inventories	1,874,771	(1,874,771)
Loans & Advances	(13,585,000)	-
Cash generated from Operations	(1,651,866)	(24,652,356)
Income tax and Fringe Benefit Tax paid	-	-
Taxes of Earlier years	-	-
Net cash (used in)/from Operating Activities(A)	(1,651,866)	(24,652,356)
B Cash flow from Investing Activities		
Purchase of Fixed Assets	(128,500,272)	(110,652,217)
Net Cash (used in)/from Investing Activities (B)	(128,500,272)	(110,652,217)
C Cash flow from Financing Activities		
Proceeds from Issue of Share Capital	19,900,000	-
Loans from Holding Company	111,892,139	135,296,375
Net Cash (used in)/from Financing Activities (C)	131,792,139	135,296,375
Net Increase / Decrease in cash and Cash Equivalents (A+B+C)	1,640,001	(8,198)
Cash and Cash Equivalents Opening Balance	80,897	89,095
Cash and Cash Equivalents Closing Balance	1,720,898	80,897
Change in Cash and Cash Equivalents	1,640,001	(8,198)


As per our report of even date attached
For Sekhar & Co.,
Chartered Accountants,




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

Place: Secunderabad,
Date : 29th April, 2014

for and on behalf of the Board,


Vinita Surana
Director


Devendra Surana
Director

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 on accrual basis with the generally accepted accounting principles in India and the provisions of the Companies Act, 1956 read with General Circular 15/2013 dated 13.09.2013 of Ministry of Corporate Affairs in respect of section 133 of Companies Act, 2013.

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 straight line 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 Ministry of Corporate Affairs 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 recognized to the extent that is probable that the economic benefits will flow to the company and the revenue can be reliably measured. Units generated from windmills are sold to group captive and the income is included in value of power generated from windmills.

Solar Dynamics Private Limited 2013-14

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. The Company is in Wind power generation activity with an installed capacity of 5.65MW.

IV. **Related party disclosures**

a. **Names of Related Parties**

- i. Holding company : Bhagyanagar India Limited
- ii. Fellow subsidiaries :

Bhagyanagar Metals Limited	Bhagyanagar Properties Private Limited
Metropolitian Ventures India Limited	Scientia Infocom India Private Limited
- iii. Key Management Personnel
Devendra Surana
Vinita Surana
- iv. Relatives of Key Managerial Personnel
G.M. Surana
Narender Surana
Chandkanwar Surana
Shresha Surana
Manish Surana
- v. Entities in which Key Managerial Personnel have significant influence :

Globecom Infra Ventures Private Limited	AP Golden Apparels Private Limited
Bhagyanagar Energy and Telecom Private Limited	Bhagyanagar Green Energy Limited (formerly Bhagyanagr Telecom)
Bhagyanagar Securities Private Limited	Corpmedia Publications India Private Limited
Everytime Foods Industries Private Limited	Majestic Logistic Private Limited
Shahsons Private Limited	Stealth Energy Private Limited
Surana Solar Systems Private Limited	Surana Technopark Private Limited
Vpower Solutions Private Limited (formerly Tranquil Avenues Private Limited)	Sitetonic Web Solutions Private Limited
Innova Technologies Private Limited	Bhayganagar Entertainment Limited
Bhagyanagar Infrastructure Limited	Surana Infocom Private Limited
Surana Telecom & Power Limited	Surana Ventures Limited

Solar Dynamics Private Limited 2013-14

Value Infrastructure And Properties Private Limited	Bhagyanagar Foods and Beverages Private Limited
Bhagyanagar Industrial Park	Bhagyanagar Metals Limited
Bhagyanagar Ventures Private Limited	Celestial Solar Solutions Private Limited
Epicenter Entertainment Private Limited	Globecom Infotech Private Limited
GMS Realtors Private Limited	Green Energy Systems Private Limited
Majestic Logistic Private Limited	Solar World Exchange Private Limited
Surana Biochemicals Private Limited	Blossom Residency Private Limited
Innova Biotech India Private Limited	Innova Infrastructure Private Limited
Royal Skyscrappers India Private Limited	Andhra Electro Galvanising Works
G.M. Surana Foundation	

a. Related party transactions during the period ended

Particulars	31.03.2014	31.03.2013
	Amount (Rs.)	
Long Term Loan taken from Holding Company	169,354,440	164,357,171
Repayment of Long Term Loan taken from Holding Company	55,818,268	34,287,871
Interest Payment to Holding Company	14,535,518	5,807,861
Amount received for allotment of equity shares – Bhagyanagar India Limited	14,726,000	-Nil-

Notes to Balance Sheet

Note : B Share Capital	Sub Note	As at 31.03.2014 Rs.		As at 31.03.2013 Rs.
(a) Authorized Capital : 30,00,000 equity shares of Rs.10 each	B (a)	30,00,000		100,000
(b) Issued and Subscribed 20,00,000 equity shares of Rs.10 each carrying equal rights and obligations (Options, contracts and commitments outstanding -Nil)	B (a)	20,00,000		100,000
(c) Particulars of Shareholders holding more than 5% of issued sharecapital (5% of 20,00,000 shares i.e.1,00,000 shares)				
Name of Shareholder	As at March 2014		As at March 2013	
	%	No.of shares	%	No.of shares
Bhagyanagar India Limited	74.00	1,480,000	74.00	7,400
Selvakumar Spinning Mills Private Limited	10.57	211,400	23.21	2,321
Supreme Coated Board Mills Private Limited	12.68	253,600		-

Notes:

- (a) The Authorised Share Capital and Issued Share Capital of the company is increased to Rs.3 crores and Rs.2 crores respectively in the month of November 2013.

Note : C Reserves and Surplus	Sub Note	As at 31.03.2014 Rs.		As at 31.03.2013 Rs.
Surplus				
Balance of Profit & Loss account available for appropriation		(7,459,587)		(8,024)
Add: Profit during the year/period		5,493,563		(7,451,563)
Amount available for appropriation		-		-
Balance at the year end		(1,966,024)		(7,459,587)

Note: D Long Term Borrowings	Sub Note	As at 31.03.2014 Rs.		As at 31.03.2013 Rs.
(a) Loans From Holding Company		247,188,514		135,296,375
TOTAL		247,188,514		135,296,375

Note: E Other Current Laibilities	Sub Note	As at 31.03.2014 Rs.		As at 31.03.2013 Rs.
(a) Audit Fees Payable		22,472		2,810
(b) T.D.S Payable		527,222		360,829
(c) Security Deposit		500,000		-
TOTAL		1,049,694		363,639

SOLAR DYNAMICS PRIVATE LIMITED

Annexure: F - Fixed Assets

Particulars	Plant & Machinery		Grand Total
	Land	Machinery	
Rate of Depreciation			
5.28%			
A. Gross Block			
At 1st April, 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
Additions	3,380,765	125,119,507	128,500,272
Disposals	-	-	-
At 31st March, 2014	5,121,150	234,031,339	239,152,489
B. Depreciation			
At 1st April, 2012	-	-	-
Charge for the Year	-	2,703,005	2,703,005
Disposals	-	-	-
At 31st March, 2013	-	2,703,005	2,703,005
Charge for the Year	-	6,674,786	6,674,786
Disposals	-	-	-
At 31st March, 2014	-	9,377,791	9,377,791
C. Net Block (A-B)			
At 31st March, 2013	1,740,385	106,208,827	107,949,212
At 31st March, 2014	5,121,150	224,653,548	229,774,698

ASSETS :

Note: G Trade Receivables	Sub Note	As at 31.03.2014 Rs.	As at 31.03.2013 Rs.
(Unsecured, Considered Good Unless stated Otherwise)			
(a) Aggregate Amount of Trade Receivables Outstanding for a Period Less Than Six Months	G (a)	18,216,499	18,392,503
(b) Aggregate Amount of Trade Receivables Outstanding for a Period Exceeding Than Six Months		-	-
TOTAL		18,216,499	18,392,503

Notes:**G (a)****Due from Related Parties
Name of the Company**

Surana Ventures Limited

Balance as on 31.03.2014	Balance as on 31.03.2013
-------------------------------------	-------------------------------------

8,851,364

-

8,851,364**-**

Note: H Inventories	Sub Note	As at 31.03.2014 Rs.	As at 31.03.2013 Rs.
(a) Closing Stock Of Windpower		-	1,874,771
TOTAL		-	1,874,771

Note: I Cash and Cash Equivalents	Sub Note	As at 31.03.2014 Rs.	As at 31.03.2013 Rs.
(a) Balance with Banks - In Current Account		1,703,298	13,297
(b) Cash in Hand		17,600	67,600
TOTAL		1,720,898	80,897

Note: J Short-Term Loans and Advances	Sub Note	As at 31.03.2014 Rs.	As at 31.03.2013 Rs.
(Unsecured, Considered Good, Unless Otherwise Stated)			
(a) Advances to Suppliers		13,585,000	-
TOTAL		13,585,000	-

Note: K Other Current Assets	Sub Note	As at 31.03.2014 Rs.	As at 31.03.2013 Rs.
Unamortised Expenses:			
Preliminary Exp (Op Bal)		3,044	4,566
Less : Preliminary Exp Written off		3,044	1,522
TOTAL		-	3,044

Notes to Profit & Loss Account

Note: 1 Revenue from Operations	Sub Note	For the year 31.03.2014 Rs.	For the year 31.03.2013 Rs.
Revenue			
From Wind Power		28,995,301	-
From Others		56,330,051	-
TOTAL		85,325,352	-

Note: 2 Other Income	Sub Note	For the year - Rs.	For the year - Rs.
Dividend Income		412,391	-
TOTAL		412,391	-

Note: 3 Change In Inventories	Sub Note	For the year 31.03.2014 Rs.	For the year 31.03.2013 Rs.
(a) Opening Stock of Wind Power		1,874,771	-
Less: Closing Stock of Wind power		-	(1,874,771)
SUB-TOTAL		1,874,771	
(b) Opening Stock - Finished Goods		-	-
Add: Purchases		54,591,052	-
Less: Closing Stock - Finished Goods		-	-
SUB-TOTAL		54,591,052	-
TOTAL		56,465,823	(1,874,771)

Note: 4 Finance Charges	Sub Note	For the Period 31.03.2014 Rs.	For the year 31.03.2013 Rs.
Bank Charges		203,255	448
Interest on Unsecured Loans	4 (a)	14,535,518	5,811,160
TOTAL		14,738,773	5,811,608

Notes:

4 (a) Interest on Unsecured Loans represents interest paid to Holding Company.

Note: 5 Other Expenses	Sub Note	For the Period 31.03.2014 Rs.	For the year 31.03.2013 Rs.
Auditor's remuneration			
-for statutory audit		15,000	2,810
- for tax audit		5,000	-
- service tax on above		2,472	-
Insurance		185,717	63,222
Filing Fees		303,029	1,694
Legal & Licence Fees		2,400	-
Preliminary Exp Written off		3,044	1,522
Rates & Taxes		99,500	1,000
Repairs & Maintenance to Machinery		3,382,172	688,102
Professional & Consultancy Charges		1,095,949	3,371
Travelling Expenses		42,552	-
Miscellaneous Expenses		2,700	-
Postage & Telegraph		180	-
Sundry Balances Written Off		772	-
Application Fees		199,400	50,000
TOTAL		5,339,887	811,721

As per our report of even date attached
For Sekhar & Co.,
Chartered Accountants,


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



for and on behalf of the Board,


Vinita Surana
Director


Devendra Surana
Director

Place: Secunderabad,
Date : 29th April, 2014