

SOLAR DYNAMICS PRIVATE LIMITED

**5TH ANNUAL REPORT
2014-15**

SOLAR DYNAMICS PRIVATE LIMITED

BOARD OF DIRECTORS:

DEVENDRA SURANA	-	DIRECTOR
VINITA SURANA	-	DIRECTOR

REGISTERED OFFICE:

SY-622, PT-02, ARIHANT ENCLAVE,
AKBAR ROAD,
OPP. ADRIN HSG COMPLEX,
TARBUND,
SECUNDERABAD - 500 009.

AUDITORS:

M/S. SEKHAR & CO.
CHARTERED ACCOUNTANTS
133/4, R P ROAD,
SECUNDERABAD - 500 003.

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 5th Annual General Meeting of the Members of **SOLAR DYNAMICS PRIVATE LIMITED** will be held on Tuesday 15th September, 2015 at 11.00 A.M. at the Registered Office of the Company at SY-622, PT-02, Arihant Enclave, Akbar Road, Opp. Adrin HSG Complex, Tarbund, Secunderabad - 500 009 to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2015 and the Statement of Profit and Loss for the year ended 31st March, 2015 along with Auditors' Report & Directors' Report thereon.
2. To appoint Auditors and to fix their remuneration and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

“**RESOLVED THAT** pursuant to the provisions of Sec 139 and other applicable provisions of the Companies Act, 2013 and the rules framed there under, as amended from time to time, M/s. Sekhar & Co., Chartered Accountants, (Registration No. 003695S), be and are hereby appointed as Auditors of the Company, to hold office for a period of 5 (Five) years from the conclusion of 5th Annual General Meeting (AGM) till the conclusion of 10th Annual General Meeting (AGM) of the Company to be held in the year 2019-2020 (subject to ratification of their appointment at every AGM) on such remuneration as shall be fixed by the Board of Directors.”

SPECIAL BUSINESS:

3. To consider and if thought fit, to pass with or without modification, the following Resolution as **SPECIAL RESOLUTION:**

“**RESOLVED THAT** pursuant to the provisions of Section 4 and 13 of the Companies Act, 2013 (the Act) read with the Companies (Incorporation) Rules, 2014 and all other applicable provisions, if any, of the Act (including any statutory modification(s) or re-enactment thereof for the time being in force) and subject to the approval of the Registrar of Companies and / or any other authority in this behalf, the existing Memorandum of Association of the Company be and is hereby replaced in entirety in conformity with the requirements of provisions of the Companies Act, 2013 as per the draft presented before this meeting and duly initialled by the Chairman for the purpose of identification.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution”.

4. To consider and if thought fit, to pass with or without modification, the following Resolution as **SPECIAL RESOLUTION**:

“RESOLVED THAT pursuant to the provisions of Section 14 and all other applicable provisions, if any, of the Companies Act, 2013 read with Companies (Incorporation) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the existing Articles of Association of the company be and is hereby replaced with the new set of Articles of Association and the said new Articles of Association be and is hereby approved and adopted as the Articles of Association of the company in place of, in substitution and to the entire exclusion of the existing Articles of Association of the company.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution”.

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



DEVENDRA SURANA
DIRECTOR

Place: Secunderabad
Date: 27.07.2015

NOTES:

1. A member entitled to attend and vote at the meeting is entitled to appoint one or more proxies, to attend and vote instead of himself and the proxy need not be a member of the company. proxies 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.
2. The Explanatory Statement under Section 102 of the Companies Act, 2013 is annexed herewith and forms part of the notice.

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

ITEM NO. 3:

The existing Memorandum of Association are in line with the erstwhile Companies Act 1956, which are thus no longer in full conformity with the Companies Act, 2013 ('New Act'). It is thus expedient to adopt new set of Memorandum of Association without changing the Main Objects as well as Capital Clause in conformity with the requirements of provisions of Companies Act, 2013.

As per the provisions of Section 13 of the Companies Act, 2013, any alteration to the memorandum requires the approval of the shareholders of the Company by means of Special Resolution duly passed in a General Meeting of the Company and hence the proposed resolution. Your directors feel that this proposal is at the best interest of the company.

A copy of the Memorandum of Association as would appear after carrying out the alterations aforesaid is available at the Registered Office of the Company for inspection by the members during the business hours of the Company on working days up to the date of this General Meeting.

None of the directors of the Company is concerned or interested in any way in the special resolution except to the extent of shareholdings.

Your Directors recommends the resolution for your approval.

ITEM NO.4:

The existing Articles of Association ("AoA") is based on the Companies Act,1956 and several regulations in the existing AoA contain reference to specific sections of the Companies Act,1956 and some articles in the existing AoA are no longer in conformity with the Act. With the enactment of the Companies Act, 2013 and substantive sections of the Act which deal with the general working of the Companies stand notified, several regulations in the existing AoA of the company require alteration and/or deletion.

Given this position it is considered expedient to wholly replace the existing AoA by a new set of Articles. The new set of AoA to be replaced in place of the existing AoA is based on Table F of Schedule I of the Companies Act, 2013 which sets out the model AoA for a company limited by shares and also carries forward certain provisions from the existing AoA suitably rephrased and which are not in conflict with the provisions of the Companies Act, 2013.

The Board of Directors recommends the Special Resolution for your approval.

No Director is concerned or interested financially or otherwise in this item of business except to the extent to shares held by them.

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



DEVENDRA SURANA
DIRECTOR

Place: Secunderabad
Date: 27.07.2015

DIRECTORS REPORT

To
The Members

Your Directors have pleasure in presenting the 5th Annual Report together with the Audited Accounts of the Company for the Year ended 31st March, 2015 and the Auditor's Report thereon

FINANCIAL RESULTS:

Your company financial results for the year 2014-15 are given below in summarized format:

Particulars	2014-15 (Rs)	2013-14 (Rs)
Income	17,11,91,902	8,57,37,743
Total Income	17,11,91,902	8,57,37,743
Expenditure	17,65,72,628	8,32,19,269
Profit before Taxation	(53,80,726)	25,18,474
Tax	(71,06,126)	(29,75,088)
Profit after Taxation	17,25,400	54,93,569
Balance B/F from Previous year	(19,66,024)	(74,59,587).
Balance Carried to Balance Sheet	(2,40,624)	(19,66,024)
EPS-BASIC & DILUTED	0.86	2.75

DIVIDEND:

Your directors do not recommend any dividend on equity shares for the financial year ended March 31, 2015.

OPERATIONS AND FUTURE OUTLOOK:

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.

SUBSIDIARY/ JV/ ASSOCIATE COMPANY:

The Company does not have any Subsidiary, Joint venture or Associate Company.

RESERVES:

During the year under review, no Amount is allocated or transferred to Reserves.

FIXED DEPOSITS:

The Company has not accepted any public deposits during the financial year 2014-2015.

DIRECTORS:

During the period under review the company has made the following changes in the Board of Directors and complied the provisions of Companies Act, 2013 with respect to the following changes:

Ms. Vinita Surana has reoccupied the position of Directorship. In this regard Shri Lakshman Raju Racherla, Alternate Director of the Company for Ms. Vinita Surana has vacated the office w.e.f 30.08.2014.

SHARE CAPITAL

During the period under review the company issued 45,000 equity shares of Rs. 10/-each to Selvakumar Spinners Private Limited, existing shareholder on 23.06.2014. The paid up capital as on 31.03.2015 is Rs. 2,04,50,000/-.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS:

The details of loans, guarantees and investments under section 186 of the Companies Act, 2013 are given in the notes to the financial statements.

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES:

All related party transactions that were entered into during the financial year were on arm's length basis and were in ordinary course of business. The disclosure on related party transactions are made in the Financial Statements of the Company. There are no materially significant related party transactions made by the company with promoters, Key managerial personnel or other designated persons which may have potential conflict with interest of company at large.

MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY:

There are no significant material changes and commitments occurred between the end of the financial year of the company to which the financial statements relate and the date of the report, affecting the financial position of the company.

BOARD MEETINGS:

During the year 6 (Six) Board Meetings were duly convened and held. The intervening gap between the meetings was within the period prescribed under the Companies Act, 2013.

DIRECTORS' RESPONSIBILITY STATEMENT:

Pursuant to Section 134(5) of the Companies Act, 2013 the Board of Directors of the Company confirms that:

- a) In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- b) The directors had selected such accounting policies and applied them consistently and 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 at the end of the financial year and of the profit and loss of the company for that period;
- c) The directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- d) The directors had prepared the annual accounts on a going concern basis; and
- e) The directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

AUDITORS:

M/s. Sekhar & Co, Chartered Accountants, Auditors of the Company retire at the conclusion of this Annual General Meeting 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, 142 and other applicable provision of the Companies Act, 2013 read with Companies (Audit and Auditor) Rules, 2014.

AUDITORS REPORT:

The Auditors' Report to the shareholders does not contain any qualifications. The Secretarial Audit Report is not applicable to the Company.

EXTRACT OF ANNUAL RETURN:

The extract of annual return of the Company for the financial year 2014–2015 as provided under sub-section (3) of section 92, in the Form No.MGT.9 is annexed herewith.

CORPORATE SOCIAL RESPONSIBILITY:

The Company does not fall under the criteria specified in Section 135 of the Companies Act, 2013 and hence no policy was developed by the company on corporate social responsibility.

RISK MANAGEMENT:

The Company does not have any Risk Management Policy as the elements of risk threatening the Company's existence are very minimal.

PARTICULARS OF EMPLOYEES AND OTHER ADDITIONAL INFORMATION:

Your Company has no employees requiring disclosure pursuant to Section 197 of the Companies Act, 2013 read with Rule, 5 (2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of employees of the Company.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO:

The details of conservation of energy, technology absorption, foreign exchange earnings and outgo particulars required under section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014 is annexed herewith.

DETAILS IN RESPECT OF ADEQUACY OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE FINANCIAL STATEMENTS:

There is an adequate internal control system commensurate with the size of the Company and the nature of business.

ACKNOWLEDGMENTS:

Your Directors place on record their appreciation for the co-operation and assistance received from the bankers, Central and State Government authorities and members during the period under review.

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



DEVENDRA SURANA
CHAIRMAN

Place : Secunderabad
Date : 26.05.2015

ANNEXURE TO THE DIRECTOR'S REPORT

Information under Section 134(3)(c) of the Companies Act, 2013 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: 26.05.2015

c) State Govt.(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corporate	-	1480000	1480000	74.00	-	1480000	1480000	72.37	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any Other	-	-	-	-	-	-	-	-	-
Sub-Total (A)(1):		1480000	1480000	74.00	-	1480000	1480000	72.37	-
(2) Foreign	NIL								
Sub-Total (A)(2):	NIL								
Total Shareholding of Promoters (A) = (A)(1)+(A)(2)		1480000	1480000	74.00	-	1480000	1480000	72.37	-
B. PUBLIC SHAREHOLDING	NIL								
Sub-Total B(2) :	NIL								
(2) Non-Institutions	NIL								
a) Bodies Corporate	-	520000	520000	26.00	-	565000	565000	27.63	-
Sub-Total B(2) :	-	520000	520000	26.00	-	565000	565000	27.63	-
Total B=B(1)+B(2):	-	520000	520000	26.00	-	565000	565000	27.63	-
C. SHARES HELD BY CUSTODIANS, AGAINST WHICH	NIL								
GRAND TOTAL (A+B+C) :	-	2000000	2000000	100.00	-	2045000	2045000	100.00	-

ii) Shareholding of Promoters:

Sl.No	Shareholders 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	M/s.Bhagyanagar India Limited 5 th Floor, Surya Towers, S.P. Road, Secunderabad-003	1480000	74.00	-	1480000	72.37	-	-1.63

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

Sl. No	Name of the Share Holder	Shareholding at the beginning of the Year		Increase / Decrease in shareholding			Cumulative Shareholding during the Year	
		No of Shares	% of total shares of the company	Date	No. of shares	Reason	No of Shares	% of total shares of the company
1	Bhagyanagar India Limited	1480000	74.300	01/04/2014			-	-
				31/03/2015			1480000	72.37

iv) Shareholding Pattern of Top Ten Shareholders (Other than Directors, Promoters and Holders of GDRs and ADRs):

Sl. No	Name of the Share Holder	Shareholding at the beginning of the Year		Increase / Decrease in shareholding			Cumulative Shareholding during the Year	
		No of Shares	% of total	Date	No.of shares	Reason	No of Shares	% of total

			shares of the company					shares of the company
1	Selvakumar Spinners Private Limited	211400	10.57	01/04/2014				
				31/03/2015			211400	10.34
2	Swami Palani Anadavar Spinners (India) Private Limited	55000	2.75	01/04/2014				
				31/03/2015			55000	2.69
3	Supreme Coated Board Mills Private Limited	253600	12.68	01/04/2014				
				23.06.2014	45000	Allotment	298600	14.60
				31/03/2015			298600	14.60

v) Shareholding of Directors and Key Managerial Personnel:

S. No.	Name of the Directors	Shareholding at the beginning of the year		Change in Shareholding		Shareholding at the end of the year	
		No. of Shares	% of total shares of the Company	Increase	Decrease	No. of Shares	% of total shares of the Company
1	Devendra Surana	-	-	-	-	-	-
2	Vinita Surana	-	-	-	-	-	-
	Name of the Key Managerial Personnel	Shareholding at the beginning of the year		Change in Shareholding		Shareholding at the end of the year	
		No. of Shares	% of total shares of the Company	Increase	Decrease	No. of Shares	% of total shares of the Company
NIL							

V. INDEBTEDNESS:

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

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness Rs. Crores
Indebtedness at the beginning of the financial year				
i) Principal Amount		24,71,88,514		24,71,88,514
ii) Interest due but not paid				
iii) Interest accrued but not due				
Total (i+ii+iii)		24,71,88,514		24,71,88,514
Change in Indebtedness during the financial year				
Addition	NIL	22,86,500	NIL	22,86,500
Reduction				
Net Change		22,86,500		22,86,500
Indebtedness at the end of the financial year				
i) Principal Amount		24,94,75,014		24,94,75,014
ii) Interest due but not paid				
iii) Interest accrued but not due				
Total (i+ii+iii)	NIL	24,94,75,014		24,94,75,014

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

Sl. No.	Particulars of Remuneration	Devendra Surana, Director	Vinita Surana, Director	Total Amount
1	Gross Salary	-	29,40,000	29,40,000
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	-	-	-
	(b) Value of perquisites under Section 17(2) Income Tax Act, 1961	-	-	-
	(c) Profits in lieu of salary under Section 17(3) Income Tax Act, 1961	-	-	-
2	Stock Options	-	-	-
3	Sweat Equity	-	-	-
4	Commission - as % of profit - others, specify....	-	-	-
5	Others, please specify i. Deferred bonus (pertaining to the current Financial year payable in 2018) ii. Retirals	-	-	-
	Total (A)	-	29,40,000	29,40,000

B. Remuneration to other Directors: NIL

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD: NIL

Sl.No.	Particulars of Remuneration	Total Amount
1	Gross Salary	NIL
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	
	(b) Value of perquisites under Section 17(2) Income Tax Act, 1961	
	(c) Profits in lieu of salary under Section 17(3) Income Tax Act, 1961	
2	Stock Options	
3	Sweat Equity	
4	Commission - as % of profit - Others, specify....	
5	Others, please specify - Retirals	
	Total (C)	

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			NIL		
Punishment					
Compounding					
B. DIRECTORS					
Penalty			NIL		
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty			NIL		
Punishment					
Compounding					

For SOLAR DYNAMICS PRIVATE LIMITED

Place: Secunderabad
Date: 26.05.2015


DEVENDRA SURANA
CHAIRMAN



SEKHAR & CO.

CHARTERED ACCOUNTANTS

PARTNERS :

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

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

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

INDEPENDENT AUDITORS' 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 31 March 2015, the Statement of Profit and Loss, the 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

The Company's Board of Directors is responsible for the matters in section 134(5) of the Companies Act, 2013 ("the Act") with respect to 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 principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes the maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding of the assets of the Company and for preventing and detecting the 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 internal financial control, 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 financial statements based on our audit.

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

We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Those Standards require that we comply with ethical

requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material 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 financial control relevant to the Company's preparation of the financial statements that give a true and fair view, in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial control system over financial reporting and the operating effectiveness of such controls. 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 for our audit opinion on the financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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, 2015, and its profit and its cash flows for the year ended on that date.

Report on other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in Annexure a statement on matters specified in paragraphs 3 and 4 of the Order to the extent applicable.
2. As required by section 143(3) of the Act, we report that:
 - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books
 - c. the Balance Sheet, the Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account
 - d. In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e. On the basis of written representations received from the directors as on 31 March, 2015, taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2015, from being appointed as a director in terms of Section 164(2) of the Act.



- f. We are not required to report on clause (i) with respect to Internal Financial Controls over financial reporting and the operating effectiveness of the same for the Financial Year ending 31st March 2015, based on the Government of India notification dated October 14, 2014 on the same matter.
- g. With respect to the other matters included in the Auditor's Report and in accordance with Rule 11 of Companies (Audit and Auditors) Rules, 2014 and in our opinion and to the best of our information and 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 contracts including derivatives contracts for which there were any material foreseeable losses
 - iii. There were no amounts which required to be transferred to the Investor Education and Protection Fund by the Company

For Sekhar & Co.,
Chartered Accountants
FRN: 003695-S



G. Ganesh
Partner
M.No.: 211704

Place: Secunderabad
Date: 26-May-2015



SEKHAR & CO.

CHARTERED ACCOUNTANTS

PARTNERS :

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

C. Amarnath, B.Com, L.L.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 program designed to cover all the fixed assets over the year. In respect of fixed assets verified according to this program, which we consider reasonable, no material discrepancies were noticed on such verification.
- 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. No loans were granted by the Company, to any of the parties covered in the register maintained under section 189 of the Act. Hence we have not reported on the related matters of this clause and sub-clauses (a) and (b).
- 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 purchase of inventory and fixed assets and for sale of goods and power. We have not observed any major weakness in the internal control system during the course of the audit.
- v. The Company has not accepted any deposits from the public within the meaning of sections 73 to 76 or any other relevant provisions of the Act and rules framed thereunder.
- vi. The Company is exempt from maintenance of Cost Records under Section 148(1) of the Act read with rules prescribed thereunder.
- vii. a) The Company is regular in depositing undisputed statutory dues with appropriate authorities including provident fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, duty of customs, duty of excise, value added tax, cess and any other 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, duty of customs, duty of excise, value added tax or cess were in arrears as at 31st March 2015 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, duty of customs, duty of excise, value added tax or cess which have not been deposited on account of any dispute.
- d) In our opinion, there are no amounts required to be transferred to the investor education and protection fund by the Company.
- viii. In our opinion, the accumulated losses of the company are not more than fifty percent of its net worth. The company has not incurred a cash loss during the year and the immediately preceding financial year.
- ix. According to the records of the Company examined by us and the information and explanations given to us, the company has not defaulted in repayment of dues to any financial institution or bank or debenture holders, as applicable, as at the Balance sheet date.
- x. The Company has not given any guarantee for loans taken by others from bank or financial institutions.
- xi. We have not reported on this clause as no term loans were obtained by the Company according to the information and explanations given to us.
- xii. 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 have we been informed of such case by the management.

Place: Secunderabad
Date: 26-May-2015

For Sekhar & Co.,
Chartered Accountants
FRN: 003695-S


G. Ganesh
Partner
M.No.: 211704

SOLAR DYNAMICS PRIVATE LIMITED
BALANCE SHEET AS AT 31ST MARCH, 2015

(Amount in Rs.)

	Particulars	Note No.	As at 31.03.2015	As at 31.03.2014
I	EQUITY AND LIABILITIES			
	1. SHAREHOLDERS' FUNDS			
	a. Share Capital	B	20,450,000	20,000,000
	b. Reserves and Surplus	C	(240,624)	(1,966,024)
			20,209,376	18,033,976
	2. NON-CURRENT LIABILITIES			
	a. Long Term Borrowings	D	249,475,014	247,188,514
	3. CURRENT LIABILITIES			
	a. Trade Payables	E	3,832,585	-
	b. Other Current Liabilities	F	573,496	1,049,694
	TOTAL		274,090,471	266,272,184
II	ASSETS			
	1. NON-CURRENT ASSETS			
	a. Fixed Assets			
	(1) Tangible Assets	G	244,864,644	229,774,698
	b. Deferred Tax Assets	H	10,081,214	2,975,088
	2. CURRENT ASSETS			
	a. Trade Receivables	I	17,914,180	18,216,499
	b. Cash and Cash Equivalents	J	1,230,432	1,720,898
	c. Short Term Loans & Advances	K	-	13,585,000
	d. Other Current Assets	L	-	-
			19,144,612	33,522,397
	TOTAL		274,090,471	266,272,184
	Significant Accounting Policies and Notes to Accounts	A		

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 : 26th May, 2015

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, 2015				
(Amount in Rs.)				
		Note No.	For the Year 31.03.2015	For the Year 31.03.2014
I.	REVENUE FROM OPERATIONS	1	171,191,902	85,325,352
II.	OTHER INCOME	2	-	412,391
III.	TOTAL REVENUE		171,191,902	85,737,743
IV.	EXPENSES			
	Change In Inventories	3	122,223,677	56,465,823
	Employee Benefit Cost	4	2,659,167	-
	Finance Charges	5	28,982,830	14,738,773
	Other Expenses	6	10,476,219	5,339,887
	Depreciation	G	12,230,735	6,674,786
	TOTAL EXPENSES		176,572,628	83,219,269
V.	PROFIT BEFORE EXCEPTIONAL AND EXTRAORDINARY ITEMS AND TAX		(5,380,726)	2,518,474
VI.	PROFIT BEFORE EXTRAORDINARY ITEMS AND TAX		(5,380,726)	2,518,474
VII.	EXTRAORDINARY ITEMS		-	-
VIII.	PROFIT BEFORE TAX		(5,380,726)	2,518,474
IX.	TAX EXPENSE			
	1. Current Tax		-	-
	1. Deferred Tax		(7,106,126)	(2,975,088)
X.	PROFIT AFTER TAX		1,725,400	5,493,563
	EPS-BASIC & DILUTED		0.86	2.75
	Significant Accounting Policies and Notes to Accounts	A		

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 : 26th May, 2015

for and on behalf of the Board,

Vinita Surana
Director

Devendra Surana
Director

SOLAR DYNAMICS PRIVATE LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2015


(Amount in Rs.)


PARTICULARS	2014-15	2013-14
A Cash flow from Operating Activities		
Net profit before tax as per annexed Profit and loss account	(5,380,726)	2,518,474
Add: Adjustments for:		
Depreciation	12,230,735	6,674,786
Bad debts Written off & Provision for bad debts	-	772
Interest Expense	28,982,830	14,738,773
Dividends Received	-	(412,391)
Preliminary Expenses Written off	-	3,044
Operating profit before working Capital Changes	35,832,839	23,523,458
Sundry Debtors	302,319	175,232
Trade Payables and Other Current Liabilities	3,356,387	686,055
Inventories	-	1,874,771
Loans & Advances	13,585,000	(13,585,000)
Cash generated from Operations	53,076,545	12,674,516
Income tax paid	-	-
Net cash (used in)/from Operating Activities(A)	53,076,545	12,674,516
B Cash flow from Investing Activities		
Purchase of Fixed Assets	(27,320,681)	(128,500,272)
Dividend Received	-	412,391
Net Cash (used in)/from Investing Activities (B)	(27,320,681)	(128,087,881)
C Cash flow from Financing Activities		
Proceeds from Issue of Share Capital	450,000	19,900,000
Interest Expenses	(28,982,830)	(14,738,773)
Loans from Holding Company	2,286,500	111,892,139
Net Cash (used in)/from Financing Activities (C)	(26,246,330)	117,053,366
Net Increase / Decrease in cash and Cash Equivalents (A+B+C)	(490,466)	1,640,001
Cash and Cash Equivalents Opening Balance	1,720,898	80,897
Cash and Cash Equivalents Closing Balance	1,230,432	1,720,898
Change in Cash and Cash Equivalents	(490,466)	1,640,001

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 : 26th May, 2015

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, 2013 including accounting standards prescribed by the Act.

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 taking the useful life prescribed in Schedule II to the Companies Act, 2013. However, till previous year, depreciation was provided under Straight Line Method at the rate and in the manner prescribed in Schedule XIV of 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) prescribed under Rule 7 of Accounting Standard Rules, 2014. 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 2014-15

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 6.40MW.

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
Metropolitan Ventures India Limited	Scientia Infocom India Private Limited
- iii. Key Management Personnel
 - Devendra Surana
 - Vinita Surana
- iv. Related parties with which transactions have taken place during the year:
 - Surana Solar Limited

b. **Related party transactions during the period ended**

Particulars	31.03.2015	31.03.2014
	Amount (Rs.)	
Long Term Loan taken from Holding Company	62,157,147	169,354,440
Repayment of Long Term Loan taken from Holding Company	93,773,575	55,818,268
Interest Payment to Holding Company	28,648,423	14,535,518
Allotment of equity shares – Bhagyanagar India Limited	-Nil-	14,726,000
Purchase of Windmill		
– Bhagyanagar India Limited	-Nil-	67,896,987
– Surana Solar Limited	26,120,681	-Nil-
Purchase of Land		
– Surana Solar Limited	1,200,000	-Nil-
Sales		
– Surana Solar Limited	127,943,956	-Nil-

Note : B Share Capital	Sub Note	As at 31.03.2015 Rs.		As at 31.03.2014 Rs.	
(a) Authorized Capital : 30,00,000 equity shares of Rs.10 each		30,000,000		30,000,000	
(b) Issued and Subscribed 20,45,000 equity shares of Rs.10 each carrying equal rights and obligations (Options, contracts and commitments outstanding -Nil)		20,450,000		20,000,000	
(C) Reconciliation of shares outstanding at the beginning and at the end of the reporting period					
At the beginning of the year		2,000,000		10,000	
Issued during the year		45,000		1,990,000	
Outstanding at the end of the year		2,045,000		2,000,000	
(d) Particulars of Shareholders holding more than 5% of issued share capital					
Name of Shareholder		As at March 2015		As at March 2014	
		%	No.of shares	%	No.of shares
Bhagyanagar India Limited		72.37	1,480,000	74.00	1,480,000
Selvakumar Spinning Mills Private Limited		12.54	256,400	10.57	211,400
Supreme Coated Board Mills Private Limited		12.40	253,600	12.68	253,600

Note : C Reserves and Surplus	Sub Note	As at 31.03.2015 Rs.		As at 31.03.2014 Rs.
Surplus				
Balance of Profit & Loss account available for appropriation		(1,966,024)		(7,459,587)
Add: Profit during the year/period		1,725,400		5,493,563
Amount available for appropriation		-		-
Balance at the year end		(240,624)		(1,966,024)

Note: D Long Term Borrowings	Sub Note	As at 31.03.2015 Rs.		As at 31.03.2014 Rs.
(a) Loans From Holding Company	D (a)	244,206,021		247,188,514
(b) Loans From Directors		5,268,993		-
TOTAL		249,475,014		247,188,514

Notes:

D (a) The Company has taken Long Term Loan from Holding Company at the rate of interest of 13.5% p.a. and the Loan from Directors is interest free and there is no specific schedule of repayment.

Note: E Trade Payables	Sub Note	As at 31.03.2015 Rs.		As at 31.03.2014 Rs.
(a) Sundry Creditors		3,832,585		-
TOTAL		3,832,585		-

Note: F Other Current Laibilities	Sub Note	As at 31.03.2015 Rs.	As at 31.03.2014 Rs.
(a) Audit Fees Payable ✓		22,472	22,472
(b) T.D.S Payable ✓		51,024	527,222
(c) Security Deposit ✓		500,000	500,000
TOTAL		573,496	1,049,694

ASSETS :

Note: H Deferred Tax Assets/(Liability)	Sub Note	As at 31.03.2015 Rs.	As at 31.03.2014 Rs.
Deferred Tax Assets/(Liability) as at the beginning of the year		2,975,088	-
Deferred Tax Asset/(Liability) arising during the year on account of			
- timing difference of Depreciation		(1,321,297)	(5,782,815)
- carried forward Business Losses		8,427,423	8,757,904
Deferred Tax Assets/(Liability) as at the end of the year		10,081,214	2,975,088

Note: I Trade Receivables	Sub Note	As at 31.03.2015 Rs.	As at 31.03.2014 Rs.
(Unsecured, Considered Good Unless stated Ohterwise)			
(a) Aggregate Amount of Trade Receivables Outstanding for a Period Less Than Six Months	I (a)	17,914,180	18,216,499
(b) Aggregate Amount of Trade Receivables Outstanding for a Period Exceeding Than Six Months		-	-
TOTAL		17,914,180	18,216,499

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

Surana Ventures Limited

**Balance as
on 31.03.2015****Balance as
on 31.03.2014**

-

8,851,364

-

8,851,364

Note: J Cash and Cash Equivalents	Sub Note	As at 31.03.2015 Rs.	As at 31.03.2014 Rs.
(a) Balance with Banks - In Current Account		1,168,609	1,703,298
(b) Cash in Hand		61,823	17,600
TOTAL		1,230,432	1,720,898

Note: K Short-Term Loans and Advances	Sub Note	As at 31.03.2015 Rs.	As at 31.03.2014 Rs.
(Unsecured, Considered Good, Unless Otherwise Stated)			
(a) Advances to Suppliers		-	13,585,000
TOTAL		-	13,585,000

SOLAR DYNAMICS PRIVATE LIMITED

Annexure: G - Fixed Assets

Particulars	Land	Plant & Machinery	Grand Total
A. Gross Block			
At 1st April, 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
Additions	1,200,000	26,120,681	27,320,681
Disposals	-	-	-
At 31st March, 2015	6,321,150	260,152,020	266,473,170
B. Depreciation			
At 1st April, 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
Charge for the Year	-	12,230,735	12,230,735
Disposals	-	-	-
At 31st March, 2015	-	21,608,526	21,608,526
C. Net Block (A-B)			
At 31st March, 2014	5,121,150	224,653,548	229,774,698
At 31st March, 2015	6,321,150	238,543,494	244,864,644

Note: In accordance with the requirement of Schedule II of the Companies Act, 2013 the company has reassessed the useful life of the Fixed Assets. Accordingly, an amount of Rs. 9,61,180/- has charged lesser to the depreciation.

Note: L Other Current Assets	Sub Note	As at 31.03.2015 Rs.	As at 31.03.2014 Rs.
Unamortised Expenses:			
Preliminary Exp (Op Bal)		-	3,044
Less : Preliminary Exp Written off		-	3,044
TOTAL		-	-

Notes to Profit & Loss Account

Note: 1 Revenue from Operations	Sub Note	For the year 31.03.2015 Rs.	For the year 31.03.2014 Rs.
Revenue			
From Wind Power		43,247,939	28,995,301
From Trading		127,943,963	56,330,051
TOTAL		171,191,902	85,325,352

Note: 2 Other Income	Sub Note	For the year 31.03.2015 Rs.	For the year 31.03.2014 Rs.
Dividend Income		-	412,391
TOTAL		-	412,391

Note: 3 Change In Inventories	Sub Note	For the year 31.03.2015 Rs.	For the year 31.03.2014 Rs.
(a) Opening Stock of Wind Power		-	1,874,771
Less: Closing Stock of Wind power		-	-
SUB-TOTAL		-	1,874,771
(b) Opening Stock - Traded Goods		-	-
Add: Purchases		122,223,677	54,591,052
Less: Closing Stock - Traded Goods		-	-
SUB-TOTAL		122,223,677	54,591,052
TOTAL		122,223,677	56,465,823

Note: 4 Employee Benefit Cost	Sub Note	For the Period 31.03.2015 Rs.	For the Period 31.03.2014 Rs.
Salaries		2,654,167	-
Rates & Taxes		5,000	-
TOTAL		2,659,167	-

Note: 5			
Finance Charges	Sub Note	For the Period 31.03.2015 Rs.	For the Period 31.03.2014 Rs.
Bank Charges		334,407	203,255
Interest on Unsecured Loans	5 (a)	28,648,423	14,535,518
TOTAL		28,982,830	14,738,773

Notes:

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

Note: 6			
Other Expenses	Sub Note	For the Period 31.03.2015 Rs.	For the Period 31.03.2014 Rs.
Auditor's remuneration			
-for statutory audit		15,000	15,000
- for tax audit		5,000	5,000
- service tax on above		2,472	2,472
Insurance		377,560	185,717
Business & Sales Promotion		88,000	-
Clearing Charges		25,690	-
Filing Fees		12,010	303,029
Legal & Licence Fees		4,840	2,400
Preliminary Exp Written off		-	3,044
Rates & Taxes		391,700	99,500
Repairs & Maintenance to Machinery		8,238,823	3,382,172
Office Maintenance		7,050	-
Professional & Consultancy Charges		486,102	1,095,949
Printing & Stationery Exp.		4,430	-
Travelling Expenses		509,698	42,552
Miscellaneous Expenses		20,700	2,700
Postage & Telegraph		2,657	180
Sundry Balances Written Off		-	772
Vehicle Maintenance		31,400	-
Membership Fees		252,587	-
Application Fees		500	199,400
TOTAL		10,476,219	5,339,887

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 : 26th May, 2015

for and on behalf of the Board,

Vinita Surana
Director

Devendra Surana
Director