



SOLAR MINES AND MINERALS LIMITED

10TH

ANNUAL REPORT

2015-2016

INDEPENDENT AUDITOR'S REPORT

To the Members of
Solar Mines and Minerals Limited
Report on the Financial Statements

We have audited the accompanying financial statements of **M/s. Solar Mines and Minerals Limited**, ("the Company"), which comprise the Balance Sheet as at March 31, 2016, 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

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these 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 maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' 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 there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and 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 controls 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 Company Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the 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 31st March, 2016, and its profit/loss 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 the Annexure a statement on the matters specified in the paragraph 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 the 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 the written representations received from the directors as on 31 March 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2016 from being appointed as a director in terms of Section 164 (2) of the Act; and
- (f) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 12 to the financial statements;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.



- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For Gandhi Rathi & Co.,
Chartered Accountants
Firm Registration No. 103031W



C. N. Rathi
Partner
Membership No. 39895



Place : Nagpur
Date : 16.05.16

ANNEXURE REFERRED TO IN PARAGRAPH 3 OF THE AUDITORS REPORT TO THE MEMBERS OF SOLAR MINES AND MINERALS LIMITED ON THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2016.

The Annexure referred to in our Independent Auditors' Report to the members of the Company on the standalone financial statements for the year ended 31st March 2016, we report that:

- i) a. The Company has maintained proper records showing full particulars including quantitative details and location of its fixed assets.
- b. As per the information & explanation given to us, Management has physically verified the fixed assets at reasonable intervals and no material discrepancies have been noticed on such verification.
- c. The title deeds of immovable properties are held in the name of the company.
- ii) There is no inventory of finished goods, work in process, stores, spare parts and raw materials. Therefore no question for physical verification and material discrepancies arise
- iii) The Company has granted loans to one bodies corporate covered in the register maintained under section 189 of the Companies Act, 2013 ('the Act').
 - a) The loans granted to the bodies corporate listed in the register maintained under section 189 of the Act, the term and conditions of the grant of such loan are not prejudicial to company's interest. The borrowers have been regular in the payment of the interest as stipulated. The terms of arrangements do not stipulate any repayment schedule and the loans are repayable on demand.
 - b) There are no overdue amounts in respect of the loans granted to the bodies corporate listed in the register maintained under section 189 of the Act.
- iv) We have broadly reviewed the cost records maintained by the Company specified by the Central Government under sub section (1) of section 148 of the Companies Act, 2013 and are of the opinion that prima facie the prescribed cost records have been maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- v) a. According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including provident fund, income tax, sales tax, wealth tax, service tax, duty of customs, value added tax, cess and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities.

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income tax, sales tax, wealth tax, service tax, duty of customs, value added tax, cess and other material statutory dues were in arrears as at 31 March 2016 for a period of more than six months from the date they became payable.
- b. According to the information and explanations given to us, there are no material dues of Sales Tax, Income Tax, wealth tax, Service Tax, Excise duty of and cess which have not been deposited with the appropriate authorities on account of any dispute.
- vi) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to a financial institution, bank, government or debenture holder.



- vii) To the best of our information and knowledge and as per the records verified by us, the company has not raised money by ways of initial public offer or further public offer (including debt instruments) and term loans were applied for the purposes for which those are raised.
- viii) During the course of our examination of the books and records of the company, carried out in accordance with the generally accepted auditing practices in India and according to the information and explanations given to us, we have neither come across any instances of material fraud on or by the Company, noticed or reported during the year, nor have we been informed of such cases by the Management.
- ix) As per the information provided managerial remuneration has not been paid. Therefore provisions of section 197 read with schedule V to the Companies Act are not applicable.
- x) In our opinion, the Company is not a Nidhi Company. Accordingly the comments referred to in clause are not applicable to the Company.
- xi) All transactions with the related parties are in compliance with Section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the Financial Statements etc., as required by the accounting standards.
- xii) The company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review.
- xiii) The company has not entered into any non-cash transactions with directors or persons connected with him.
- xiv) The company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934

For Gandhi Rathi & Co.
Chartered Accountants
Firm Registration No. 103031W



C. N. Rathi
Partner
Membership No. 39895

Place : Nagpur
Dated : 16.05.2016



SOLAR MINES AND MINERALS LIMITED
BALANCE SHEET AS AT 31 ST MARCH, 2016

PARTICULARS	NOTE	AS AT 31.03.2016	AS AT 31.03.2015
CAPITAL AND LIABILITIES			
SHARE HOLDERS' FUND			
Share Capital	1	500000.00	500000.00
Reserves & Surplus	2	-1477063.80	-733534.80
		-977063.80	-233534.80
NON-CURRENT LIABILITIES			
Long -term borrowing	3	7180133.00	6431373.00
		7180133.00	6431373.00
CURRENT LIABILITIES			
Other current liabilities	4	83217.00	110083.00
TOTAL		6286286.20	6307921.20
ASSET			
NON-CURRENT ASSET			
Other Non current Asset	5	6186445.82	6186445.82
CURRENT ASSETS			
Cash and Bank Balances	6	99840.38	25919.38
Other Current Assets	7	0.00	95556.00
TOTAL		6286286.20	6307921.20
Significant Accounting Policies			
Notes to Financial Statement	1 to 7		

As per our Report of even date

**For Gandhi Rathi & Co.,
Chartered Accountants**



**C.N. Rathi
Partner**

M. NO. 39895

Firm Reg.No. 103031W

Place : Nagpur

Date : 16.05.2016

For and on behalf of the Board



**K. C. Nuwal
Director**



**Manish Nuwal
Director**

SOLAR MINES AND MINERALS LIMITED

Profit and Loss Account

For the Year Ended 31.03.2016

Particulars	NOTES	2015-16	2014-15
INCOME			
Other Income	8	5504.00	256213.00
TOTAL REVENUE		5504.00	256213.00
EXPENDITURE			
Finance Cost	9	717680.00	988470.00
Other exp	10	31353.00	20186.00
TOTAL EXPENSES		749033.00	1008656.00
Profit before Tax		-743529.00	-752443.00
Tax Expenses			
Current Tax		0.00	0.00
Profit for the year		-743529.00	-752443.00
Earning per equity share of face value of Rs 10 each			
Basic and diluted (in Rs)		-14.87	-15.05
Significant Accounting Policies			
Notes to Financial Statement	8 to14		

As per our Report of even date

For Gandhi Rathi & Co.,
Chartered Accountants

**C.N. Rathi**

Partner

M. NO. 39895

Firm Reg.No. 103031W

Place : Nagpur

Date : 16.05.2016

For and on behalf of the Board


K. C. Nuwal
Director
Manish Nuwal
Director

SOLAR MINES AND MINERALS LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED ON MARCH 31, 2016

PARTICULARS	2015-16		2014-15	
	(Rs.)	(Rs.)	(Rs.)	(Rs.)
A. Cash Flow From Operating Activities				
Net Profit Before Tax		-743,529.00		-752,443.00
Adjustments for :				
Interest income	-5,174.00		-100,378.00	
Interest & Financial exp.	717,680.00		988,470.00	
		712,506.00		888,092.00
Operating Profit before working Capital Changes		-31,023.00		135,649.00
(Increase)/Decrease in Current Assets	95,556.00		3,367,369.00	
Increase/(Decrease) in Other Current Liabilities	-26,866.00		-3,439,267.00	
		68,690.00		-71,898.00
Net Cash Generated from Operations		37,667.00		63,751.00
B. Cash Flow From Investing Activities		0.00		0.00
C. Cash Flow From Financing Activities				
Interest & Financial exp.	-717,680.00		-988,470.00	
Interest income	5,174.00		100,378.00	
Increase/(Decrease) in Long Term Borrowing	748,760.00		2,331,373.00	
Net Cash from Financing Activities		36,254.00		1,443,281.00
Net Increase in Cash & Cash equivalents		73,921.00		1,507,032.00

Notes :

- 1) Cash & Cash equivalents at the beginning of period 25,919.38 -1,481,112.62
Cash & Cash equivalents at the end of period 99,840.38 25,919.38
73,921.00 1,507,032.00
- 2) The above cash flow statement has been prepared in accordance with the requirements of Accounting Standard 3 "Cash Flow Statement" issued by the Institute of Chartered Accountants of India.

As per our report of even date attached

For Gandhi Rathi & Co.
Chartered Accountants


C.N.Rathi
Partner
M.No. 39895
Firm Reg.No. 103031W
Nagpur
Dated : 16.05.2016



For and on behalf of the Board


K. C. Nuwal
Director


Manish Nuwal
Director

SOLAR MINES & MINERALS LTD
ANNEXURE-1
SIGNIFICANT ACCOUNTING POLICIES FOR THE YEAR ENDED 31 MARCH 2016

a. Basis of preparation.

The financial statements are prepared under the historical cost convention in accordance with the generally accepted accounting principles in India (Indian GAAP), including the Accounting Standards notified under the relevant provisions of the Companies Act, 2013.

The financial statements have been prepared on an accrual basis. The accounting policies adopted in the preparation of financial statements are consistent with those of previous year.

b. Use of estimates

The preparation of financial statements in conformity with India GAAP requires judgements, estimates and assumptions to be made that affect the reported amount of assets and liabilities, disclosure of contingent liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognised in the period in which the results are known/ materialised.

c. Borrowing costs.

Borrowing cost includes interest, amortization of ancillary costs incurred in connection with the arrangement of borrowings and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period in which they are incurred.

d. Provisions

A provision is recognized when the company has a present obligation as a result of past event. It is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and reliable estimate can be made of the amount of the obligation. Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates. Where the company expects some or all of a provision to be reimbursed for example under an insurance contract, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain. The expenses relating to any provision is presented in the statement of profit and loss net of any reimbursement.

e. Revenue Recognition

Revenue is recognized only when it can be reliably measured and it is reasonable to expect ultimate collection. Revenue from operations includes sale of goods, services, sales tax, service tax, excise duty and sales during trial run period, adjusted for discounts (net) and gain / loss on corresponding hedge contracts.



NOTES ATTACHED TO AND FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH 2016

THE PREVIOUS YEAR'S FIGURES HAVE BEEN REGROUED / RECLASSIFIED
WHERE EVER NECESSARY TO CORRESPOND
WITH THE CURRENT YEAR'S CLASSIFICATION/DISCLOSURE.

NOTE - 1
SHARE CAPITAL

Particular	As at 31.03.2016	As at 31.03.2015
(a) Authorised Share Capital		
50000 Equity Shares of Rs. 10/- each	<u>500000.00</u>	<u>500000.00</u>
Issued, Subscribed & Paid up		
50000 Equity Shares of Rs. 10/- each	500000.00	500000.00
	<u>500000.00</u>	<u>500000.00</u>

(b) Reconciliation Statement of Shares Outstanding

Particular	NO.of share As at 31.03.2016	NO.of share As at 31.03.2015
Number of Shares at the beginning of the year	50000	50000
Add: Issued during the year	0	0
Number of Shares at the end of the year	50000.00	50000.00

Note :- No shares are issued or allotted in last 5 years.

(c) Details of Shareholders holding more than 5% Equity Shares

Particular	NO.of share As at 31.03.2016	NO.of share As at 31.03.2015
1 Solar Industries India Limited	50000	50000

NOTE - 2

RESERVES & SURPLUS

	As at 31.03.2016	As at 31.03.2015
Opening Balance	-733534.80	18908.20
Add : Profit/(loss) during the year	-743529.00	-752443.00
TOTAL	-1477063.80	-733534.80

NOTE - 3

LONG TERM BORROWINGS

UNSECURED LOANS	As at 31.03.2016	As at 31.03.2015
Loan from Related Party		
Solar Industries India Ltd (See Note no.11)	7180133.00	6431373.00
TOTAL	7180133.00	6431373.00



NOTE 4
OTHER CURRENT LIABILITIES

Particular	As at 31.03.2016	As at 31.03.2015
Other Payable	83217.00	110083.00
TOTAL	83217.00	110083.00
# Includes Statutory Dues , payables for expenses & advances received from customers		

NOTE-5

OTHER NON CURRENT ASSETS

Particular	As at 31.03.2016	As at 31.03.2015
Pre-Operative Expenses	6186445.82	6186445.82
TOTAL	6186445.82	6186445.82

NOTE-6

Cash and Cash Equivalent

particular	As at 31.03.2016	As at 31.03.2015
Balances with Bank	94875.38	20954.38
cash in hand	4965.00	4965.00
TOTAL	99840.38	25919.38

NOTE-7

OTHER CURRENT ASSETS

particular	As at 31.03.2016	As at 31.03.2015
RELATED PARTY		
Commercial Sales Corporation (See Note No. 11)	0.00	85996.00
OTHER		
TDS Receivable	0.00	9560.00
TOTAL	0.00	95556.00



SOLAR MINES AND MINERALS LIMITED

NOTES FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31.03.2016

NOTE - ' 4 '

OTHER CURRENT LIABILITIES

PARTICULARS	AMOUNT	AMOUNT
	31.03.2016	31.03.2015
TDS Payable	71767.00	98847.00
Audit Fees Payable	11450.00	11236.00
Total(Rs.)	83217.00	110083.00

NOTE - ' 8 '

OTHER INCOME

PARTICULARS	AMOUNT	AMOUNT
	31.03.2016	31.03.2015
Interest Income	5174.00	100378.00
Interest on Income Tax Refund	330.00	155835.00
Total(Rs.)	5504.00	256213.00

NOTE - ' 9 '

FINANCE COST

PARTICULARS	AMOUNT	AMOUNT
	31.03.2016	31.03.2015
Interest Expenses	717680.00	988470.00
Total(Rs.)	717680.00	988470.00

NOTE - ' 10 '

OTHER EXPENSES

PARTICULARS	AMOUNT	AMOUNT
	31.03.2016	31.03.2015
Audit Fees	11450.00	12472.00
Bank Charges	1343.00	785.00
Professional Charges	14560.00	4494.00
ROC Expenses	4000.00	2400.00
OFFICE EXPENSE	0.00	35.00
Total(Rs.)	31353.00	20186.00



SOLAR MINES AND MINERALS LIMITED

NOTES FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31.03.2016

NOTE -11

DISCLOSURE OF RELATED PARTY TRANSACTIONS

particular	Amount(Rs)	Amount(Rs)
NAME OF RELATED PARTY	31.03.2016	31.03.2015
A) Solar Industries India Ltd		
1. Unsecured Loan Outstanding	7180133.00	6431373.00
2. Interest Paid	717680.00	988470.00
B) Economic Explosives Ltd		
1.. Interest Received	0.00	4822.00
C) Commercial Sales Corporation		
1. Loan Outstanding	0.00	85996.00
2.. Interest Received	5174.00	95556.00

NOTE - 12

NO CONTINGENT LIABILITY

AS PER EXPLANATION & INFORMATION PROVIDED TO US THERE IS NO CONTINGENT LIABILITY , ALL LIABILITIES ARE PROVIDED IN THE BOOKS.

NOTE - 13

SIGNIFICANT ACCOUNTING POLICIES AND PRACTICE ADOPTED BY THE COMPANY ARE DISCLOSED IN THE STATEMENT ANNEXED TO THESE FINANCIAL STATEMENTS AS ANNEXURE-1

NOTE :- 14

PAYMENT TO AUDITOR

Particular	Amount
1) Audit Fees	11450.00
2) Taxation And Other	4560.00
Total	16010.00

As per our Report of even date

**For Gandhi Rathi & Co.,
Chartered Accountants**



**C.N. Rathi
Partner**

M. NO. 39895

Firm Reg.No. 103031W

Place : Nagpur

Date : 16.05.2016

For and on behalf of the Board



**K. C. Nuwal
Director**



**Manish Nuwal
Director**