

# **S. C. KWATRA & CO.**

**CHARTERED ACCOUNTANTS**

303-A, SASCO BHAWAN, AZADPUR COMMERCIAL COMPLEX,  
DELHI- 110 033 INDIA

PH.: 27676375, 27672646 FAX: 91-11-27676375

## **INDEPENDENT AUDITOR'S REPORT**

**To the Members of Solar Research Limited**

### **Report on the Financial Statements**

We have audited the accompanying financial statements of **Solar Research Limited**, ("the Company") which comprise the Balance Sheet as at March 31, 2017, 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.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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.

### **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 of the financial statements 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 the disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those



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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. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence obtained by us 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, 2017, and its loss and its cash flows for the year ended on that date.

### **Emphasis of Matter**

We draw attention to Note 2.13 to the financial statements with respect to management's assessment of impairment of its investments of Rs 735,470,090 in its subsidiary company, Moser Baer Infrastructure and Developers Limited as of 31<sup>st</sup> March 2017 to determine if there is any "other than temporary" diminution in the values of investment. Basis the assessment, the management has concluded that diminution in the value of investment is temporary in nature and no impairment is required in carrying value of the investments, as at March 31, 2017. Our opinion is not qualified in respect of this matter.

### **Report on Other Legal and Regulatory Requirements**

1. ~~As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.~~

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 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 prescribed under Section 133 of the Act.
- e) On the basis of the written representations received from the directors as on March 31, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017, from being appointed as a director in terms of section 164(2) of the Act.



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- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company, and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- g) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors') Rules, 2014, as amended, in our opinion and to the best of our information and according to the 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 derivative contracts for which there were any material foreseeable losses;
- iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company
- iv) The Company did not have any holdings or dealings in Specified Bank Notes during the period from 8<sup>th</sup> November 2016 to 30<sup>th</sup> December 2016. [Refer note 2.6]

Place: New Delhi  
Date: May 23, 2017



*M.M.*

For S.C. Kwatra & Co.  
Chartered Accountants  
Firm's registration No. 004232N

*M.M. Kwatra*

M.M. Kwatra  
Partner  
(Membership No.083756)

*R*

# **S. C. KWATRA & CO.**

**CHARTERED ACCOUNTANTS**

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## **MOSER BAER SOLAR RESEARCH LIMITED**

### **ANNEXURE "A" TO THE INDEPENDENT AUDITORS' REPORT**

Annexure referred to in paragraph '1' under 'Report on Other Legal and Regulatory Requirements' section of our Report of even date.

- (i) The Company does not have any fixed assets; therefore, the provisions of clause 3(i) of the Order are not applicable.
- (ii) The Company does not have any inventory; therefore the provisions of clause 3(ii) of the Order are not applicable.
- (iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013.
- (iv) According to the information and explanation given to us, the Company has not given any loans, or made any investments, or provided any guarantee, or security as specified under Section 185 and 186 of the Companies Act, 2013 during the year. Accordingly, paragraph 3(iv) of the Order is not applicable.
- (v) The Company has not accepted any deposits from the public during the year.
- (vi) The Company has not carried out any production of goods or provided any services and therefore, paragraph 3(vi) of the Order regarding maintenance of cost records under section 148(1) of the Act, is not applicable.
- (vii) (a) The Company is regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, custom duty, excise duty, cess and other material statutory dues, as applicable, with the appropriate authorities. Further, no undisputed amounts payable in respect thereof were outstanding at the period-end for the period of more than six months from the date they become payable.  
  
(b) There are no dues in respect of income tax, sales tax, service tax, duty of customs or duty of excise or value added tax that have not been deposited on account of any dispute.
- (viii) The Company did not have any dues payable to a financial institution or a bank or Government or debenture holders during the period.



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- (ix) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) or term loans during the year.
- (x) According to the information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.
- (xi) The Company has not paid/ provided any managerial remuneration during the year and accordingly, paragraph 3(xi) of the Order is not applicable.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- (xvi) A Company is required to be registered under section 45-1A of the Reserve Bank of India Act, 1934, if the financing activity is a principal business of the company. The RBI has clarified that Financial activity as principal business is when a company's financial assets constitute more than 50 per cent of the total assets and income from financial assets constitute more than 50 per cent of the gross income. Though the company's financial assets constitute more than 50% of the total assets, however, there being no income of the company during the year, the Company contends that the condition that the income from financial assets should be more than 50% of the gross income, is not met and accordingly, the Company is not required to be registered under section 45-1A of the Reserve Bank of India Act, 1934.

Place: New Delhi  
Date: May 23, 2017



For S.C. Kwatra & Co.  
Chartered Accountants  
Firm's registration No. 004232N

*M.M.*

M.M. Kwatra  
Partner  
(Membership No.083756)

## **ANNEXURE "B" TO THE INDEPENDENT AUDITOR'S REPORT**

**(Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)**

### **Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls over financial reporting of **Solar Research Limited** ("the Company") as of March 31, 2017 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

#### **Management's Responsibility for Internal Financial Controls**

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### **Auditor's Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

#### **Meaning of Internal Financial Controls Over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures



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that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

#### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or

fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

#### **Opinion**

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on "the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India".

Place: Delhi  
Date: May 23, 2017

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For S.C. Kwatra & Co.  
Chartered Accountants  
Firm's registration No. 004232N

*M.M. Kwatra*

M.M. Kwatra  
Partner  
(Membership No.083756)

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**SOLAR RESEARCH LIMITED**  
**BALANCE SHEET AS AT MARCH 31, 2017**

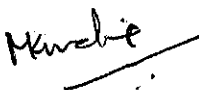
Particulars	Notes	As at March 31, 2017 (Rs.)	As at March 31, 2016 (Rs.)
<b>Equity and Liabilities</b>			
<b>Shareholder's funds</b>			
Share capital	2.1	74,250,000	74,250,000
Reserve and surplus	2.2	661,549,929	661,624,373
		735,799,929	735,874,373
<b>Current liabilities</b>			
Trade payables			
- Due to micro and small enterprises		-	-
- Due to others	2.3	71,668	34,503
Other current liabilities	2.4	27,000	18,000
		98,668	52,503
<b>TOTAL</b>		<b>735,898,597</b>	<b>735,926,876</b>
<b>Assets</b>			
<b>Non-current assets</b>			
Non-current investments	2.5	735,470,090	735,470,090
		735,470,090	735,470,090
<b>Current assets</b>			
Cash and bank balances	2.6	428,507	456,786
		428,507	456,786
<b>TOTAL</b>		<b>735,898,597</b>	<b>735,926,876</b>

The accompanying notes 1 to 2.16 are an integral part of these financial statements.

In terms of our report of even date.


For S.C. Kwatra & Co.  
Chartered Accountants  
FRN : 004232N

By order of the Board  
For and on behalf of Solar Research Limited


  
M. M. Kwatra  
Partner  
Membership Number-083756



  
Sher Singh  
Director  
DIN-06488151

  
Pradeep Kumar  
Director  
DIN-06486962

Place : New Delhi  
Date : May 23, 2017

  
Sandeep Duggal  
Manager



**SOLAR RESEARCH LIMITED**  
**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2017**

Particulars	Notes	For the year ended March 31, 2017 (Rs.)	For the period ended March 31, 2016 (Rs.)
<b>INCOME</b>			
Other Income		-	-
		-	-
<b>EXPENSES</b>			
Other expenses	2.7	74,444	76,805
<b>Total expenses</b>		<b>74,444</b>	<b>76,805</b>
Profit/(loss) before tax		<b>(74,444)</b>	<b>(76,805)</b>
Tax expense:			
(1) Current tax		-	-
(2) Deferred tax		-	-
Profit/(loss) for the year/period		<b>(74,444)</b>	<b>(76,805)</b>
Earnings per equity share:			
Basic/ Diluted	2.13	<b>(161.26)</b>	<b>(201.25)</b>

The accompanying notes 1 to 2.16 are an integral part of these financial statements.

In terms of our report of even date.

For S.C. Kwatra & Co.  
Chartered Accountants  
FRN : 004232N

By order of the Board  
For and on behalf of Solar Research Limited

*M. M. Kwatra*

M. M. Kwatra  
Partner  
Membership Number-083756



*M*

*Sher Singh*

Sher Singh  
Director  
DIN-06488151

*Pradeep Kumar*

Pradeep Kumar  
Director  
DIN-06486962

*Sandeep Duggal*

Sandeep Duggal  
Manager

Place : New Delhi  
Date: May 23, 2017

**SOLAR RESEARCH LIMITED**  
**CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2017**


Particulars	Year ended 31.03.2017 (Rs.)	Period ended 31.03.2016 (Rs.)
<b>A Cash Flow from operating activities:</b>		
Net Profit/(Loss) before tax	(74,444)	(76,805)
Operating profit/(loss) before working capital changes	(74,444)	(76,805)
<b>Adjustment for changes in working capital:</b>		
(Decrease)/Increase in trade and other payables	46,165	34,175
<b>Net Cash from operating activities</b>	<b>A (28,279)</b>	<b>(42,630)</b>
<b>B Cash Flow from investing activities:</b>		
Net Cash from investing activities	B -	-
<b>C Cash Flow from financing activities:</b>		
Net Cash from financing activities	C -	-
<b>Net Increase/(Decrease) in cash and cash equivalents (A +B+C)</b>	<b>(28,279)</b>	<b>(42,630)</b>
Cash and cash equivalents at beginning of the year/period	456,786	499,416
Cash and cash equivalents at end of the year/period	428,507	456,786
Cash and cash equivalents comprise		
Cheques in hand	428,507	-
Bank Balance with scheduled bank	-	456,786
	<b>428,507</b>	<b>456,786</b>

Notes:

- The above Cash Flow statement has been prepared under the Indirect Method set out in Accounting Standard 3-Cash Flow Statement .
- Figures in brackets indicate cash outgo.

In terms of our report of even date.

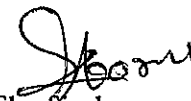
For S.C. Kwatra & Co.  
Chartered Accountants  
FRN : 004232N


  
M. M. Kwatra  
Partner  
Membership Number-083756





By order of the Board  
For and on behalf of Solar Research Limited

  
Sher Singh  
Director  
DIN-06488151

  
Pradeep Kumar  
Director  
DIN-06486962

  
Sandeep Duggal  
Manager

Place: New Delhi  
Date: May 23, 2017

NOTES TO THE FINANCIAL STATEMENTS

1 SIGNIFICANT ACCOUNTING POLICIES

1.1 Basis of Preparation of Financial Statements

The financial statements have been prepared and presented under the historical cost convention on the accrual basis of accounting, unless stated otherwise and comply in all material aspects with the Accounting Standards ("AS") notified under section 133 of the Companies Act, 2013, read together with rule 7 of the Companies (Accounts) Rules, 2014 and other accounting principles generally accepted in India.

1.2 Investments

Long term investments are stated at cost of acquisition inclusive of expenditure incidental to acquisition. A provision for diminution is made to recognise a decline, other than temporary in the value of long term investments.

1.3 Taxation

Current Tax:

Provision is made for current tax liability based on the applicable provisions of the Income tax Act, 1961.

Deferred Tax:

Deferred tax assets (DTA) and liabilities are computed on the timing differences at the balance sheet date between the carrying amount of assets and liabilities and their respective tax bases. DTA is recognised based on management estimates of reasonable/virtual certainty that sufficient future taxable income will be available against which such DTA can be realised. The deferred tax charge or credit is recognised using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date.

1.4 Provisions and Contingent Liabilities

The Company creates a provision when there is a present obligation as a result of past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of obligation. A disclosure of contingent liability is made when there is a possible obligation or a present obligation that will probably not require outflow of resources or where a reliable estimate of the obligation cannot be made.

1.5 Earning per Share

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares, except where results would be anti-dilutive.

2.1 Share Capital

Particulars	As at 31.03.2017 (Rs.)	As at 31.03.2016 (Rs.)
<b>Authorised:</b>		
50,000 (Previous Year 50,000) Equity Shares of Rs.10 each	500,000	500,000
7,375,000 (Previous Year 7,375,000) Preference shares of Rs. 10 each	73,750,000	73,750,000
	<b>74,250,000</b>	<b>74,250,000</b>
<b>Issued, Subscribed and Paid Up:</b>		
50,000 (Previous Year 50,000) Equity shares of Rs. 10/- each fully paid up	500,000	500,000
7,375,000 (Previous Year 7,375,000) 9% Compulsorily Cumulative Convertible Preference shares of Rs. 10 each fully paid up	73,750,000	73,750,000
<b>TOTAL</b>	<b>74,250,000</b>	<b>74,250,000</b>

a. Reconciliation of the number of shares outstanding

Particulars	Numbers of Equity Shares		Numbers of Preference Shares	
	As at 31.03.2017	As at 31.03.2016	As at 31.03.2017	As at 31.03.2016
Shares outstanding at the beginning of the year/period	50,000	50,000	7,375,000	7,375,000
Shares Issued during the year/period	-	-	-	-
Shares outstanding at the end of the year/period	<b>50,000</b>	<b>50,000</b>	<b>7,375,000</b>	<b>7,375,000</b>

b. Rights, preferences and restrictions attached to shares

(i) Equity Shares: The company has one class of equity shares having a par value of Rs. 10 per share. Each shareholder is eligible for one vote per share held.



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NOTES TO THE FINANCIAL STATEMENTS

(ii) Preference shares: The company has Cumulative preference shares having a par value of Rs 10 per share, compulsory convertible into equity shares within a period of 10 years from the original date of allotment i.e. 15th May, 2009 at the option of the Company. The preference share holders are entitled to cumulative preference dividend at the rate of 9% per annum. The ratio of conversion shall be 10 equity shares of Rs. 10 each for 1 preference share. On conversion, the resultant equity shares shall rank pari passu with the existing shares.

c. Shares held by holding company

	As at	
	As at 31.03.2017 (Rs.)	As at 31.03.2016 (Rs.)
<b>Equity Shares:</b> 50,000 Shares (Previous year 50,000 shares) are held by Moser Baer Distribution Limited (formerly Moser Baer SEZ Developer Limited), the Holding Company.	500,000	500,000
<b>Preference Shares:</b> 73,75,000 9% Compulsory Convertible Cumulative Preference Shares are held by Moser Baer Distribution Limited (formerly Moser Baer SEZ Developer Limited), the Holding Company.	73,750,000	73,750,000

d. Shareholders holding more than 5 % of Share Capital

Name of Shareholder	As at 31.03.2017		As at 31.03.2016	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
<b>Equity Shares:</b>				
Moser Baer Distribution Limited (formerly Moser Baer SEZ Developer Limited)	50,000	100%	50,000	100%
<b>Preference shares</b>				
Moser Baer Distribution Limited (formerly Moser Baer SEZ Developer Limited)	7,375,000	100%	7,375,000	100%



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NOTES TO THE FINANCIAL STATEMENTS

2.2 Reserves and Surplus

Particulars	As at 31.03.2017	As at 31.03.2016
	Rs.	Rs.
<b>Securities Premium</b>		
Opening Balance	663,750,000	663,750,000
Closing Balance	663,750,000	663,750,000
<b>Deficit as per statement of profit and loss</b>		
Opening balance	(2,125,627)	(2,048,822)
Add : Net Profit/(Loss) for the year/period	(74,444)	(76,805)
Closing Balance	(2,200,071)	(2,125,627)
<b>TOTAL</b>	<b>661,549,929</b>	<b>661,624,373</b>

2.3 Trade payables

Particulars	As at 31.03.2017	As at 31.03.2016
	Rs.	Rs.
Due to others	71,668	34,503
<b>TOTAL</b>	<b>71,668</b>	<b>34,503</b>

2.4 Other Current Liabilities

Particulars	As at 31.03.2017	As at 31.03.2016
	Rs.	Rs.
<b>Other payables :</b>		
Others	27,000	18,000
<b>TOTAL</b>	<b>27,000</b>	<b>18,000</b>



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## NOTES TO THE FINANCIAL STATEMENTS

## 2.5 Non-Current Investments

Particulars	As at 31.03.2017	As at 31.03.2016
	Rs.	Rs.
<b>Other Investments- Unquoted (Valued at cost unless stated otherwise)</b>		
<b>Investment in Equity Instruments of Subsidiary Company</b>		
Moser Baer Infrastructure and Developers Limited *	735,470,090	735,470,090
7,400,000 ( Previous Year 74,00,000) Equity Shares of Rs. 10 each		
<b>TOTAL (aggregate value of unquoted investments)</b>	<b>735,470,090</b>	<b>735,470,090</b>

\* Pursuant to Master Restructuring Agreement dated 27th December 2012 entered with various lenders by Moser Baer India Limited, the ultimate parent company (the borrower), the investment of the Company in Moser Baer Infrastructure and Developers Ltd (a subsidiary company) in 74,00,000 equity shares of Rs 10 each has been pledged with CENTBANK Financial Services Limited (Security Trustee) for and on behalf of lenders of Ultimate parent company towards security against repayment of the facilities and all financial obligations of the borrower to the CDR Lenders.

## 2.6 Cash and bank balances

Particulars	As at 31.03.2017	As at 31.03.2016
	Rs.	Rs.
Cash and cash equivalents		
Cheques in hand	428,507	-
Bank balance with scheduled bank	-	456,786
<b>TOTAL</b>	<b>428,507</b>	<b>456,786</b>

**Note:**

In accordance with MCA notification G.S.R. 308E dated March 30, 2017 the disclosure requirements of details of specified bank notes (SBNs) and other denomination Notes (ODN) held and transaction during the period from November 8, 2016 to December 30, 2016 are not applicable as the company was not having cash in hand as on November 8, 2016 and no cash was withdrawn/deposited during the period November 8, 2016 to December 30, 2016.

## 2.7 Other expenses

Particulars	As at 31.03.2017	As at 31.03.2016
	Rs.	Rs.
Payment to Auditors		
- As auditor	17,250	17,175
- For other services	-	-
Legal and professional fees	2,000	8,500
Registration & filing fee	19,021	6,130
Conveyance expenses	36,000	45,000
Miscellaneous expenses	173	-
<b>TOTAL</b>	<b>74,444</b>	<b>76,805</b>

## 2.8 Contingent liabilities and commitments

Particulars	As at 31.03.2017	As at 31.03.2016
	Rs.	Rs.
<b>Others</b>		
Arrears of cumulative preference dividend (payable on declaration of dividend)**	62,946,860	54,958,124
<b>TOTAL</b>	<b>62,946,860</b>	<b>54,958,124</b>

\*\* Including dividend distribution tax thereon



(19)

Sachin  
Shrey Singh R

**SOLAR RESEARCH LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**

**2.9 Related Party Transactions:**

In accordance with the requirements of Accounting Standard - 18, 'Related Party Disclosures', the names of the related parties where control/ability to exercise significant influence exists, along with the aggregate amount of transactions and year end balances with them, as identified and certified by the management, are given below:

**a. Names of related parties**

Name of the related party	Nature of relationship
Moser Baer India Limited	Ultimate Holding Company
Moser Baer Distribution Limited (formerly known as Moser Baer SEZ Developer Limited)	Holding Company
Moser Baer Infrastructure & Developers Limited	Subsidiary
Perafly Limited	Fellow Subsidiary
Nicofly Limited	Fellow Subsidiary
Moser Baer Laboratories Limited	Fellow Subsidiary
Moser Baer Entertainment Limited	Fellow Subsidiary
Moser Baer Investments Limited	Fellow Subsidiary
Moser Baer Photovoltaic Inc. USA	Fellow Subsidiary
Helios Photovoltaic Limited (Formerly known as Moser Baer Photovoltaic Limited)	Fellow Subsidiary
Value Solar Energy Pvt. Limited	Fellow Subsidiary
Pride Solar Systems Pvt. Limited	Fellow Subsidiary
Admire Energy Solutions Pvt. Limited	Fellow Subsidiary
Moser Baer Solar Systems Pvt. Limited	Fellow Subsidiary
Competent Solar Energy Pvt. Limited	Fellow Subsidiary
Moser Baer Solar Limited (Formerly Photovoltaic Technologies India Ltd)	Fellow Subsidiary
Peraround Limited	Fellow Subsidiary
European Optic Media Technology GmbH	Fellow Subsidiary
Advoferm Limited	Fellow Subsidiary
Cubic Technologies BV*	Fellow Subsidiary
Photovoltaic Holdings Limited (Formerly Photovoltaic Holdings Plc)	Fellow Subsidiary
MB Solar Holdings Limited (Formerly Moser Baer Solar Plc)	Fellow Subsidiary
Moser Baer Technologies, Inc.**	Fellow Subsidiary
TIFTON Limited	Fellow Subsidiary

\* Dissolved on 21 December 2015.

\*\* Dissolved on 22 April 2015.

**Key management personnel**

Manager	Mr. Sandeep Duggal (w.e.f. 04.12.2016)
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**b. Details of significant transactions with the related parties in the ordinary course of business:**  
(figures in brackets are for the Previous Year)

(i) Particulars	Ultimate Holding Company (Moser Baer India Limited)	TOTAL
Expenses incurred on behalf of the company	19,021 (6,130)	19,021 (6,130)

(ii) Investment in shares of Moser Baer Infrastructure and Developers Limited (Subsidiary) pledged towards security against repayment of facilities and financial obligations of the Moser Baer India Limited, the ultimate holding company - Rs 735,470,090 (Previous Year - 735,470,090).

**2.10 Segment information**

As the Company is yet to commence commercial operations, there is no reportable business Segment.



*Sadh*

*Shree Singh*

## NOTES TO THE FINANCIAL STATEMENTS

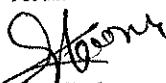
## 2.11 Earnings Per Share (EPS)


Particulars	Year ended 31.03.2017	Period ended 31.03.2016
Loss after tax available as per statement of profit and loss - Rs.	74,444	76,805
Less: Dividend on Cumulative preference shares (including dividend distribution tax) - Rs.	7,988,736	9,985,920
Net Loss after tax attributable to equity shareholders for diluted earning per share - Rs.	8,063,180	10,062,725
Adjustment for the purpose of diluted earning per share <sup>(1)</sup>	8,063,180	10,062,725
Net Loss after tax attributable to equity shareholders for diluted earning per share	50,000	50,000
Weighted average number of Equity shares outstanding during the year/period		
For basic and Diluted earnings per share		
Earnings Per Share (Face Value of Rs. 10 each)		
- Basic & Diluted - Rs.	(161.26)	(201.25)

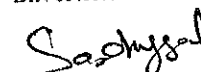
(1) The convertible preference shares, on taking into account their conversion into equity shares on the date of conversion, are anti-dilutive and therefore ignored in the calculation of diluted earning per share.

- 2.12 Based on information available with the Company, there are no docs to Micro and Small Enterprises as defined in the Micro, Small and Medium Enterprises Development Act, 2006 as at March 31, 2017.
- 2.13 Management performed an assessment of impairment for its investments of Rs. 735,470,090 in its subsidiary company, Moser Baer Infrastructure and Developers Limited (MBIDL) as of 31 March 2017 to determine if there is any "other than temporary" diminution in the values of the investment. Such assessment is based on recoverable value of land owned by MBIDL determined by an independent valuer. Based on such valuation, the net asset value of the company's investment in MBIDL is much lower than the book value of its investment. Further, presently the MBIDL is not carrying out any operations.
- In the opinion of management and the valuer the current prevailing market rate of land of MBIDL is temporarily down due to impact of demontization. Further, the management expects to commence the operations of MBIDL in next financial year. In view thereof, no impairment have been made in respect of diminution in the value of investments which are considered strategic, long term and diminution in value on investment is temporary in nature.
- 2.14 In view of there being no taxable profit under the Income tax Act, 1961, no provision for Income tax is considered necessary for the current period. In absence of virtual certainty of realisability of unabsorbed losses assessable under the Income tax Act, 1961, deferred tax asset has not been created for the period.
- 2.15 a) The Company does not have any pending litigation.  
b) The Company does not have any long-term contracts including derivative contracts for which there are any material foreseeable losses.
- 2.16 The current financial year comprises period of 12 months ended March 31, 2017, whereas the previous period's figures are for 15 months. Accordingly, the current year's figures are not comparable with those of the previous year. Previous period figures have been regrouped / rearranged, wherever necessary to conform to current period's classification.

By order of the Board  
For and on behalf of Solar Research Limited

  
Sher Singh  
Director  
DIN-06488151

  
Pradeep Kumar  
Director  
DIN-06486962

  
Sandeep Duggal  
Manager



Place: New Delhi  
Date: May 23, 2017

