

Sundram Non-Conventional Energy Systems Limited

ANNUAL REPORT

**for the year ended
31st March 2015**

Sundram Non-Conventional Energy Systems Limited

REPORT OF THE DIRECTORS TO THE SHAREHOLDERS

The Directors have pleasure in presenting the Twenty First Annual Report, together with the audited accounts for the year ended 31st March 2015.

FINANCIAL RESULTS

Particulars	2014-15	2013-14
Sales and other income	29,900,831	34,153,585
Gross Profit / (Loss) before interest & depreciation	22,261,762	26,900,431
Less: Interest	361	65
Less: Depreciation	149,782	139,027
Profit / (Loss) before tax	22,111,619	26,761,339
Add / (Less): Provision for Tax (including Deferred Tax)	7,147,878	8,479,170
Profit / (Loss) after tax	14,963,741	18,282,169
Add / (Less): Balance brought forward	17,121,823	24,066,551
Interim Dividend paid	14,999,790	19,999,720
Dividend Distribution Tax paid	2,699,180	3,398,960
Transfer to General Reserve	-	1,828,217
Balance carried forward	14,386,594	17,121,823

OPERATIONS

The Sales and other income during the year under review was at ₹ 29,900,831/- as against ₹ 34,153,585/-. The operating Profit for the year was at ₹ 22,261,762/- as against ₹ 26,900,431/- in the previous year. The net profit was at ₹ 14,963,741 as against profit of ₹ 18,282,169/-.

DIVIDEND

The Directors have approved and paid two interim dividends of 300% i.e. ₹ 30/- per equity share of ₹ 10/- each. The Directors do not recommend any final dividend.

TRANSFER TO RESERVES

The Company has not transferred any amounts to reserves during the year 2014-2015.

BOARD MEETINGS

During the financial year 2014-2015, there were six Board meetings, which were held on 26th May, 2014, 11th August, 2014, 12th September, 2014, 29th September, 2014, 26th November, 2014 and 20th March, 2015.

DIRECTORS' RESPONSIBILITY STATEMENT

The Directors confirm that:-

- in the preparation of annual accounts, the applicable accounting standards had been followed.
- they had selected appropriate accounting policies and applied them consistently, and made judgments and estimates that have been made 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 of the Company for 31st March 2015.
- they had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- they had prepared the annual accounts on a going concern basis.
- they had devised proper systems to ensure compliance with the provisions of all applicable laws and such systems were adequate and operating effectively.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

The company has not given any loans or guarantees covered under the provisions of Section 186 of the Companies Act, 2013.

REPORT OF THE DIRECTORS TO THE SHAREHOLDERS (Contd.)

DIRECTORS

Sri Venu Srinivasan, Director (DIN: 00051523) resigned from the Board of the Company with effect from 18th September, 2014 due to his personal reasons. The board of directors wishes to place their appreciation for his valuable services during the year.

Ms Usha Krishna, Director retires from the Board by rotation and being eligible, offers herself for re-appointment.

Pursuant to Section 161 of the Companies Act, 2013, Dr Lakshmi Venu (DIN: 02702020) was appointed as an Additional Director of the Company with effect from 18th September, 2014. Company has received her consent to act as a Director in Form DIR-2, notice / intimation in Form DIR-8 and notice of disclosure of directors' interest in shareholding.

The provisions of Section 149 pertaining to the appointment of Independent Directors do not apply to our Company.

AUDIT COMMITTEE

As per Section 177 of the Companies Act, 2013 read with Rule 6 of the Companies (Meetings of the Board) Rules, 2014, there was no requirement for the company to have an Audit Committee.

RELATED PARTY TRANSACTIONS

All related party transactions were entered at arms' length basis and in the ordinary course of business. The particulars of contracts or arrangements with related parties referred to in sub-section (1) of Section 188 prepared in Form AOC-2 pursuant to Section 134 of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014 is enclosed vide **Annexure - I** forming part of this report.

EXTRACT OF ANNUAL RETURN

The details forming part of the extract of the Annual Return in Form MGT-9 is annexed herewith as **Annexure - II**.

MATERIAL CHANGES AND COMMITMENTS

There were no material changes and commitments, affecting the financial position of the Company, which have occurred between the end of the financial year of the Company to which the financial statements relate and the date of the report.

CONSERVATION OF ENERGY / TECHNOLOGY ABSORPTION

The Company has taken no specific efforts in the area of conservation of energy, research & development and technology absorption.

FOREIGN EXCHANGE EARNINGS AND OUTGO

The Company did not have any foreign exchange earnings or outgo.

DETAILS OF DIRECTORS OR KEY MANAGERIAL PERSONNEL APPOINTED OR HAVE RESIGNED DURING THE YEAR¹

Name	Designation	Date of appointment	Date of resignation
Sri Venu Srinivasan	Director	06 th February, 1995	18 th September, 2014
Dr. Lakshmi Venu	Additional Director	18 th September, 2014	-

CHANGE IN THE NATURE OF BUSINESS

There was no change in the nature of business of the Company during the financial year.

Sundram Non-Conventional Energy Systems Limited

COMPANIES WHICH HAVE BECOME OR CEASED TO BE COMPANY'S SUBSIDIARIES, JOINT VENTURES OR ASSOCIATE COMPANIES DURING THE YEAR

The Company does not have any subsidiary, joint venture or associate company.

PUBLIC DEPOSITS

During the year under review, the Company has not accepted any deposits from the public within the meaning of Section 73 of the Companies Act, 2013.

REGULATORY / COURT ORDERS

During the year 2014-2015, no significant and material orders were passed by the regulators or courts or tribunals impacting the going concern status and company's operations in future.

INTERNAL FINANCIAL CONTROLS

The company has internal control procedures and sufficient internal control checks considering the size and nature of its business and the Board of directors are of the view that those controls are adequate with reference to the financial statements.

RISK MANAGEMENT

The Company had identified certain business risks and also the measures for dealing with such risks which it faces in day to day operations of the Company.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

Section 135 is not applicable to the company as the company has not met the specified turnover or net worth or profit criteria and hence there is no requirement for the company to undertake CSR activities.

STATEMENT UNDER RULE 5(2) OF THE COMPANIES (APPOINTMENT AND REMUNERATION) OF MANAGERIAL PERSONNEL RULES, 2014

None of the employees was in receipt of remuneration in excess of the limit prescribed under Rule 5(2) of the Companies (Appointment and Remuneration) of Managerial Personnel) Rules, 2014.

AUDITORS

Pursuant to Section 139 of the Companies Act, 2013, M/s Sundaram & Srinivasan, Chartered Accountants, Chennai, (Registration No. 0042075 with the Institute of Chartered Accountants of India), were appointed as Auditors of the Company at the twentieth annual general meeting of the Company for a consecutive period of 5 years commencing from 09th September, 2014. The Company has received a certificate from the statutory auditors to the effect that if ratification of their appointment, if made, would be in compliance with the requirements of the Companies Act, 2013 and the rules made thereunder. Accordingly, the Board of Directors propose to ratify their appointment of M/s Sundaram & Srinivasan, Chartered Accountants, Chennai as Auditors of the Company for the second consecutive year (in the term of five consecutive years approved at the Twentieth Annual General Meeting held on 09th September, 2014)

DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

The Company has adopted the Anti-Sexual Harassment Policy laid down by the Holding Company (Sundram Fasteners Limited-SFL), which is in line with the requirements of the Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013. Internal Complaints Committee (ICC) of SFL is entrusted to redress complaints regarding sexual harassment. No complaints were received during 2014-15.

ACKNOWLEDGMENT

Your Directors thank the holding company, Sundram Fasteners Limited for their support. They also place on record their appreciation of all the employees of the Company for their sincere and dedicated service.

Chennai
April 23, 2015

On behalf of the Board
SURESH KRISHNA
Director

Form No. AOC - 2

Annexure - I

[Pursuant to clause (h) of sub-section (3) of Section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014]

Form for disclosure of particulars of contracts / arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms-length transactions under third proviso thereto

- Details of contracts or arrangements or transactions not at arm's length basis
All contracts arrangements / transactions with related parties are on arms' length basis and in the ordinary course of business.
- Details of material contracts or arrangement or transactions at arm's length basis

a)	Name of the Related Party and nature of relationship	Sundram Fasteners Limited Holding Company		
b)	Nature of contracts / arrangements / transactions	Sale of Wind Power ₹ 13,802,121	Lease Rent Paid ₹ 108,000	Dividend Paid ₹ 7,940,730
c)	Duration of the contracts / arrangements / transactions	2014-2015	2014-2015	2014-2015
d)	Salient terms of the contracts or arrangements or transactions including the value, if any	At arms' length basis and in the ordinary course of business	At arms' length basis and in the ordinary course of business	At arms' length basis and in the ordinary course of business
e)	Date of approval by the Board, if any	As the transactions fall under the third proviso to Section 188(1), Board approval is not applicable.		
f)	Amount paid as advances, if any	Nil		

On behalf of the Board

SURESH KRISHNA
Director

Chennai
April 23, 2015

FORM NO.MGT-9

EXTRACT OF ANNUAL RETURN

as on the financial year ended 31st March, 2015*[Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]*

I. REGISTRATION AND OTHER DETAILS

CIN	U40108TN1994PLC029132
Registration Date	4th November, 1994
Name of the Company	Sundram Non-Conventional Energy Systems Limited
Category / Sub-Category of the Company	Public Company / Limited by Shares
Address of the Registered Office and contact details	98-A, VII Floor, Dr Radhakrishnan Salai Mylapore, Chennai – 600 004 Phone No.91-44-28478500, Fax No.91-44-28478510 Email: vgj@corp.sfl.co.in
Whether listed company	No
Name, Address and Contact details of the Registrar and Transfer Agent, if any.	Not Applicable

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

S. No.	Name and description of main products / services	NIC Code of the Product / service	% of total turnover of the company
1	Electric power generation using other non-conventional sources	35106	94.37

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Name and address of the company	CIN / GLN	Holding / Subsidiary/ Associate	% of votes held	Applicable Section
Sundram Fasteners Limited 98-A, VII Floor, Dr Radhakrishnan Salai, Mylapore, Chennai – 600 004	L35999TN1962PLC004943	Holding Company	52.94	2(46)

Sundram Non-Conventional Energy Systems Limited

IV. SHAREHOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

(i) Category wise shareholding

Category of shareholders	No. of shares held at the beginning of the year				No. of shares held at the end of the year				% change during the year
	Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
A. Promoters									
1. Indian									
a) Individuals / HUF (Nominees of Bodies Corporate)	-	2	2	0.00	-	2	2	0.00	-
b) Central Govt.	-	-	-	-	-	-	-	-	-
c) Bodies Corporate	-	499989	499989	100.00	-	499989	499989	100.00	Nil
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any other	-	2	2	0.00	-	2	2	0.00	-
Sub-Total (A)(1)		499993	499993	100.00	-	499993	499993	100.00	Nil
Foreign	-	-	-	-	-	-	-	-	-
Sub-Total (A)(2)	-	-	-	-	-	-	-	-	-
Total shareholding (A) = (A)(1) + (A)(2)	-	499993	499993	100.00	-	499993	499993	100.00	Nil
B. Public Shareholding	-	-	-	-	-	-	-	-	-
C. Shares held by Custodian for GDRs and ADRs	-	-	-	-	-	-	-	-	-
Grand Total = A + B + C	-	499993	499993	100.00	-	499993	499993	100.00	Nil

(ii) Shareholding of Promoters

S. No.	Shareholders' Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change 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	Sundram Fasteners Ltd	264689	52.94	0.00	264689	52.94	0.00	Nil
2	Sundaram – Clayton Limited	117650	23.53	0.00	117650	23.53	0.00	Nil
3	Lucas-TVS Limited	117650	23.53	0.00	117650	23.53	0.00	Nil
4	Nominees of Sundram Fasteners Ltd	2	0.00	0.00	2	0.00	0.00	Nil
	Total	499991	100.00	0.00	499991	100.00	0.00	Nil

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

There have been no changes in the Promoters' shareholding during the year.

(iv) Shareholding pattern of top ten shareholders (other than Directors, Promoters and Holders of GDRs and ADRs)

Shareholders' Name	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
Sri C S Narasimhulu At the beginning / during / end of the year	1	0.00	1	0.00

There has been no change in the shareholding during the year

(v) Shareholding of Directors and Key Managerial Personnel:

S. No.	For Each of the Directors and KMP	Name of the Director / KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
			No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
1	At the beginning, during and end of the year	Sri. V G JAGANTHAN Director	1	0.00	1	0.00

Note: There have been no changes in the shareholding of Directors and Key Managerial Personnel during the year.

V. INDEBTEDNESS

As at 31st March, 2015 - NIL

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

During the year 2014-2015, no remuneration was paid to Directors. There is no Key Managerial Personnel.

VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES

During the year 2014-2015, there were no penalties levied by the Regional Director on the company / directors / officers in default or any compounding of offences by the company / directors / officers in default or any punishment granted by any Court against the company / directors / officers in default.

Sundram Non-Conventional Energy Systems Limited

Sundaram & Srinivasan
Chartered Accountants

New No. 4, (Old No. 23), C P Ramaswamy Road,
Alwarpet, Chennai 600 018

Independent Auditor's Report to the Members of Sundram Non-Conventional Energy Systems Limited, Chennai for the year ended March 31, 2015

To

The Members of Sundram Non-Conventional Energy Systems Limited,
No.98-A, Dr. Radhakrishnan Salai,
Mylapore, Chennai - 600 004.

Report on the Financial Statements

We have audited the accompanying financial statements of Sundram Non-Conventional Energy Systems Limited, Chennai ("the Company"), which comprise of Balance Sheet as at 31st March 2015, Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the 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 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 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 risk assessments, the auditors consider 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 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 we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements read together with the annexure to our report 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;

- i. in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2015;
- ii. in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
- iii. in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

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 31st March, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) 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, 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 no AS29 of Annexure I to notes to financial statements;
 - ii. The Company did not have any long-term contracts including derivative contract for which there were any material foreseeable losses.
 - iii. During the year, there was no requirement on the part of the company to transfer any amount to Investor Education and Protection Fund.

Chennai
April 23, 2015

For SUNDARAM & SRINIVASAN
Chartered Accountants
(Firm Regn. No. 0042075)
MBALASUBRAMANIAM
Partner
Membership No. F 7945

ANNEXURE TO INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SUNDARAM NON-CONVENTIONAL ENERGY SYSTEMS LIMITED, CHENNAI FOR THE YEAR ENDED 31ST MARCH, 2015

- (a) (i) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (ii) All the assets have been verified by the management during the year. No material discrepancies were noticed during such verification.
- (b) The Company has no stock of inventory and hence reporting on physical verification does not arise.
- (c) During the year, the company has not granted any loans, secured or unsecured to any company, firm or other party covered in the register maintained under section 189 of the Companies Act, 2013
- (d) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business, with regard to purchase of inventory, fixed assets and for the sale of goods. During the course of our audit, no continuing failure has been noticed in the internal control system.
- (e) The company has not accepted deposits within the meaning of sections 73 to 76 of the Companies Act, 2013, during the year.
- (f) Pursuant to the rules made by the Central Government under section 148(1) of the Companies Act, 2013, the company is not required to maintain cost records.
- (g) (i) According to the records provided to us, the company is regular in depositing undisputed statutory dues including Income Tax, Provident Fund, tax deducted at source, service tax and value added tax with the appropriate authorities. Depositing sums under Employees state insurance, wealth tax, duty of customs, duty of excise and cess are not applicable during the year. However we have observed marginal delays in remitting sums in respect of Tax deducted at source, Service tax and provident fund.
- (ii) According to the information and explanations given to us, no undisputed amounts payable in respect of Provident Fund, Value Added Tax, Service Tax and Income Tax were in arrears, as at 31st March 2015 for a period of more than six months from the date they became payable.

- (iii) According to the information and explanations furnished to us, the following are the amounts of disputed income tax that were not paid to the authorities.

Nature of Demand	Amount (₹)	Forum where dispute is pending
Income tax	15,409	High Court of Judicature at Madras
Income tax (Interest)	41,38,650	In reassessment proceedings before assessing officer
Income Tax (TDS)	6,44,420	Commissioner of Income Tax (Appeals)

- (iv) During the year the company is not required to transfer any amount to Investor Education and Protection Fund in terms of relevant provisions of the Companies Act, 1956.
- (h) The Company neither has accumulated losses as at the end of the financial year nor has incurred cash losses during the financial year and in the immediately preceding financial year.
- (i) The Company has no borrowings.
- (j) The Company has not furnished any guarantees for loans taken by others from banks or financial institutions.
- (k) The company has not availed any term loan during the year.
- (l) Based on the audit procedures adopted and information and explanations given to us by the management, no fraud on or by the company has been noticed or reported during the course of our audit.

Chennai
April 23, 2015

For SUNDARAM & SRINIVASAN
Chartered Accountants
(Firm Regn. No. 0042075)
M BALASUBRAMANIAM
Partner
Membership No. F 7945

Sundram Non-Conventional Energy Systems Limited

BALANCE SHEET AS AT MARCH 31, 2015

	Note No.	As at March 31, 2015	As at March 31, 2014
I EQUITY AND LIABILITIES			
1. Shareholders' Funds			
a) Share Capital	I	4,999,930	4,999,930
b) Reserves and Surplus	II	27,471,277	32,471,207
		30,273,328	35,273,258
2. Non-current Liabilities			
Deferred Tax Liabilities (Net)	III	112,143	97,737
3. Current Liabilities			
Other Current Liabilities	IV	4,248,532	4,490,730
		4,248,532	4,490,730
Total		36,831,882	39,861,725
II ASSETS			
1. Non-current Assets			
a) Fixed Assets			
Tangible Assets	V	21,982,547	21,888,230
b) Long-term Loans and Advances	VIII	4,595,773	4,453,655
c) Other Non-current Assets	IX	3,912	3,912
		26,582,232	26,345,797
2. Current Assets			
a) Trade Receivables	VI	2,071,787	1,404,012
b) Cash and Cash equivalents	VII	7,837,535	11,520,663
c) Short-term Loans and Advances	VIII	27,571	-
d) Other Current Assets	IX	312,757	591,253
		10,249,650	13,515,928
Total		36,831,882	39,861,725

The notes form an integral part of the Financial Statements.

SURESH KRISHNA
Chairman

As per our report annexed
For SUNDARAM & SRINIVASAN
Chartered Accountants
(Firm Regn. No. 0042075)

Chennai
April 23, 2015

V G JAGANATHAN
Director

M BALASUBRAMANIAM
Partner
Membership No. F. 7945

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2015

	Note No.	Year ended March 31, 2015	Year ended March 31, 2014
I Revenue from Operations	X	28,216,728	31,725,949
II Other Income	XI	1,684,103	2,427,636
III Total Revenue		29,900,831	34,153,585
IV Expenses :			
Employee Benefit Expenses	XII	1,336,837	1,243,115
Finance Costs	XIII	361	65
Depreciation and amortization expenses	V	149,782	139,027
Other Expenses	XIV	6,302,232	6,010,039
Total Expenses		7,789,212	7,392,246
V Profit and Loss before exceptional and extraordinary items and tax (III-IV)		22,111,619	26,761,339
VI Exceptional Items		-	-
VII Profit before extraordinary items and tax (V-VI)		22,111,619	26,761,339
VIII Extraordinary Items		-	-
IX Profit before tax (VII-VIII)		22,111,619	26,761,339
X Tax Expense :			
1) Current Tax		7,100,000	8,500,000
2) Deferred Tax		46,499	(20,830)
3) Earlier years		1,379	-
XI Profit (Loss) for the year from continuing operations (IX-X)		14,963,741	18,282,169
XII Profit / (loss) from discontinuing operations		-	-
XIII Tax expense of discontinuing operations		-	-
XIV Profit / (loss) from Discontinuing operations (after tax) (XII-XIII)		-	-
XV Profit (Loss) for the year (XI+XIV)		14,963,741	18,282,169
XVI Earnings per equity share :			
1) Basic		29.93	36.56
2) Diluted		29.93	36.56
Weighted No of Equity Shares of Rs 10 each		499,993	499,993

The notes form an integral part of the Financial Statements

SURESH KRISHNA
Chairman

As per our report annexed
For SUNDARAM & SRINIVASAN
Chartered Accountants
(Firm Regn. No. 0042075)

Chennai
April 23, 2015

V G JAGANATHAN
Director

M BALASUBRAMANIAM
Partner
Membership No. F. 7945

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2015

	Year ended March 31, 2015	Year ended March 31, 2014
A. Cash Flow From Operating Activities		
Net Profit / (Loss) before Tax	22,111,619	26,761,339
Add : Tax relating to earlier years	(1,379)	-
	22,110,240	26,761,339
Adjustments For :		
Depreciation	149,782	139,027
Interest Paid	361	65
Interest Income	(1,184,153)	(1,475,688)
Loss on Sale of Assets	67	(1,336,596)
	(1,033,943)	(1,336,596)
Operating Profit before Extraordinary items & Working Capital Changes	21,076,297	25,424,743
Adjustments For Changes in Working Capital:		
Trade and other receivables	(668,494)	391,880

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2015 (Contd.)

	Year ended March 31, 2015	Year ended March 31, 2014
Loans and Advances	514,526	97,467
Other Current Liabilities	(242,198)	(839,831)
	(396,166)	(350,484)
Cash Generated From Operations	20,680,131	25,074,259
Less : Direct Taxes Paid	7,505,000	8,184,000
NET CASH FROM OPERATING ACTIVITIES (a)	13,175,131	16,890,259
B. CASH FLOW FROM INVESTING ACTIVITIES :		
Sale of Assets	1,333	-
Purchase of Fixed Assets	(344,414)	(565,814)
Interest received	1,184,153	1,475,688
Dividend received	-	-
NET CASH USED IN INVESTING ACTIVITIES (b)	841,072	909,874

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2015 (Contd.)

	Year ended March 31, 2015	Year ended March 31, 2014
C. CASH FLOW FROM FINANCING ACTIVITIES:		
Interest Paid	(361)	(65)
Dividend Paid	(14,999,790)	(24,999,650)
Dividend distribution tax paid	(2,699,180)	(4,248,698)
NET CASH USED IN FINANCING ACTIVITIES (c)	(17,699,331)	(29,248,413)
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS (a+b+c)	(3,683,128)	(11,448,280)
CASH AND CASH EQUIVALENTS-Opening Balance	11,520,663	22,968,943
CASH AND CASH EQUIVALENTS-Closing Balance	7,837,535	11,520,663
CASH AND CASH EQUIVALENTS include :		
a) Cash on hand	8,500	8,500
b) With scheduled Banks :		
Current Account	252,698	21,619
Deposit Account	7,576,337	11,490,544
	<u>7,837,535</u>	<u>11,520,663</u>

SURESH KRISHNA
Chairman

Chennai
April 23, 2015

V G JAGANATHAN
Director

As per our report annexed
For SUNDARAM & SRINIVASAN
Chartered Accountants
(Firm Regn. No. 0042075)
M BALASUBRAMANIAM
Partner
Membership No. F 7945

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

	As at March 31, 2015	As at March 31, 2014
I SHARE CAPITAL		
a. Authorised		
35,00,000 Equity Shares of Rs 10 each	35,000,000	35,000,000
	<u>35,000,000</u>	<u>35,000,000</u>
b. Issued		
4,99,993 Equity Shares of Rs 10 each	4,999,930	4,999,930
c. Subscribed and Paid-up		
4,99,993 Equity Shares of Rs 10 each fully paid-up	4,999,930	4,999,930
d. Reconciliation of number of shares		
	No. of Shares	Value ₹
	No. of Shares	Value ₹
1. Balance at the beginning of the year	4,99,993	4,999,930
2. Add : Shares issued during the year	-	-
3. Bonus Shares issued during the year	-	-
4. Balance as at the end of the year	<u>4,99,993</u>	<u>4,999,930</u>
e. Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company		
	No. of Shares	Shares as % of Total
	No. of Shares	Shares as % of Total
Name of the Shareholder		
1. Sundram Fasteners Limited, Chennai	264,691	52.94
2. Sundaram-Clayton Limited, Chennai	117,650	23.53
3. Lucas-TVS Limited, Chennai	117,650	23.53
Sub Total	<u>499,991</u>	<u>100.00</u>
4. Total No. of Shares of the Company	<u>499,993</u>	<u>100.00</u>
f. Shares allotted as fully paid up by way of Bonus Shares (during 5 years immediately preceding March 31, 2015)		
Equity shares allotted as fully paid up bonus shares by capitalization of reserve		Nil
g. Terms / rights attached to shares:		
The Company has only one class of equity shares having a face value of ₹ 10/- each. Each holder of equity share is entitled to one vote per share. As and when the company declares dividend it will be paid in Indian Rupees. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.		
h. Shares held by holding company and subsidiary of holding company		
1. Sundram Fasteners Limited, Chennai Holding Company	264,691	264,691

NOTES TO FINANCIAL STATEMENTS (Contd.)

	As at 31-3-2015	As at 31-3-2014
II RESERVES & SURPLUS		
a. General Reserve		
1. Balance as at the beginning of the year	13,151,505	11,323,288
2. Add : Transfer from Statement of Profit and Loss	-	1,828,217
Sub Total	<u>13,151,505</u>	<u>13,151,505</u>
3. Less : Net carrying amount of assets whose remaining useful life is NIL as on 01/04/2014 (net of deferred tax Rs.32,093/-)	66,822	-
4. Balance as at the end of the year	<u>13,084,683</u>	<u>13,151,505</u>
b. Surplus in Statement of Profit and Loss		
1. Balance as at the beginning of the year	17,121,823	24,066,551
2. Profit / (loss) for the year	14,963,741	18,282,169
3. Balance available for appropriation (1 + 2)	<u>32,085,564</u>	<u>42,348,720</u>
Appropriations :		
4. Interim Dividend Paid	14,999,790	19,999,720
5. Tax Paid there on	2,699,180	3,398,960
6. Interim Dividend payable	-	-
7. Tax Payable there on	-	-
8. Transfer to General Reserve	-	1,828,217
9. Amount appropriated during the year	<u>17,698,970</u>	<u>25,226,897</u>
10. Balance as at the end of the year(3-9)	<u>14,386,594</u>	<u>17,121,823</u>
Total Reserves and Surplus (a+b)	<u>27,471,277</u>	<u>30,273,328</u>
III DEFERRED TAX LIABILITY		
1. On Depreciation :		
As per last Balance Sheet	97,737	118,567
Less : Deferred Tax Asset for the year - arising on account of timing difference relating to depreciation	46,499	(20,830)
(A)	<u>144,236</u>	<u>97,737</u>
2. Less: Deferred Tax Asset for the year - arising on account of timing difference relating to depreciation transferred to retained earnings	32,093	-
(B)	<u>32,093</u>	<u>-</u>
Net Deferred Tax Liability	(A + B) <u>112,143</u>	<u>97,737</u>
IV OTHER LIABILITIES		
	Long-term / Non-current	Short-term / Current
	As at	As at
	31-3-2015	31-3-2014
	As at	As at
	31-3-2015	31-3-2014
1. Statutory Dues	-	19,318
2. Interest payable on Income Tax	-	4,135,942
3. Outstanding Liabilities	-	93,272
Total	<u>-</u>	<u>4,490,730</u>

Sundram Non-Conventional Energy Systems Limited

NOTES TO FINANCIAL STATEMENTS (Contd.)

V NON-CURRENT ASSETS - FIXED ASSETS

Particulars	Tangible							
	Land - Free Hold	Buildings	Plant and Equipment	Computers	Office Equipments	Furniture & Fixtures	Vehicles	Total
A Cost of Assets								
As at 01-04-2014	20,937,774	228,476	2,472,596	72,681	20,705	25,673	138,639	23,896,544
Additions	-	182,934	122,000	39,480	-	-	-	344,414
Sales / Discards	-	-	-	(38,725)	-	-	-	(38,725)
As at 31-3-2015	20,937,774	411,410	2,594,596	73,436	20,705	25,673	138,639	24,202,233
B Depreciation / Amortization								
As at 1-4-2014	-	117,229	1,747,671	54,296	9,667	25,673	53,778	2,008,314
Transferred to Retained earnings	-	-	83,628	15,287	-	-	-	98,915
Charges for the year	-	10,596	106,838	9,176	10,002	-	13,170	149,782
Deduction on sale or discards	-	-	-	(37,325)	-	-	-	(37,325)
As at 31-3-2015	-	127,825	1,938,137	41,434	19,669	25,673	66,948	2,219,686
C Written Down Value								
As at 31-3-2015	20,937,774	283,585	656,459	32,002	1,036	-	71,691	21,982,547
As at 31-3-2014	20,937,774	111,247	724,925	18,385	11,038	-	84,861	21,888,230

	Long-term / Non-current		Short-term / Current			
	As at 31-3-2015	As at 31-3-2014	As at 31-3-2015	As at 31-3-2014	Year ended 31-3-2015	Year ended 31-3-2014
VII TRADE RECEIVABLES (UNSECURED, CONSIDERED GOOD UNLESS STATED OTHERWISE)						
Outstanding for a period exceeding six months from the date they are due for payment	-	-	17,216	-		
Other Receivables	-	-	2,054,571	1,404,012		
	-	-	2,071,787	1,404,012		
VIII LOANS AND ADVANCES (UNSECURED, CONSIDERED GOOD UNLESS STATED OTHERWISE)						
Security Deposit	9,725	-	-	-		
Other loans and advances						
Advance Income-tax (net of provision for taxation)	2,710,163	2,577,770	-	-		
Income Tax refund receivable	1,870,885	1,870,885	-	-		
Advances recoverable in Cash or in kind	5,000	5,000	-	-		
Pre paid Expenses	-	-	27,571	-		
Total	4,595,773	4,453,655	27,571	-		
IX OTHER ASSETS (UNSECURED, CONSIDERED GOOD UNLESS STATED OTHERWISE)						
a. Other Receivable	-	-	719	-		
(A)	-	-	719	-		
b. Interest receivable	3,912	3,912	312,038	591,253		
(B)	3,912	3,912	312,038	591,253		
Total (A+B)	3,912	3,912	312,757	591,253		
X REVENUE FROM OPERATIONS						
a. Sale of Power					28,216,728	31,725,949
Sub Total					28,216,728	31,725,949
b. Other Operating Revenue					-	-
Sub Total					-	-
Total					28,216,728	31,725,949
XI OTHER INCOME						
Interest on Deposits					1,184,153	1,475,688
Sale of Agricultural products					325,000	869,911
Scrap Sales					174,950	82,037
Total					1,684,103	2,427,636
XII EMPLOYEE BENEFIT EXPENSES						
Salaries, Wages, Bonus and Allowances					1,144,144	1,046,567
Provident Fund					168,517	175,172
Welfare Expenses					24,176	21,376
Total					1,336,837	1,243,115
XIII FINANCE COST						
Interest expense					361	65
Total					361	65
XIV OTHER EXPENSES						
a) Lease Rent					204,000	204,000
b) Power & Fuel					325,386	199,919
c) Electricity Tax					-	35,418
d) Rates & Taxes					34,918	20,205
e) Insurance					2,259	2,340
f) Security Expenses					944,754	966,219
g) Repairs & Maintenance - Building					194,660	944,797
h) Repairs & Maintenance - Plant & Equipment					4,176,768	3,102,439
i) Repairs & Maintenance - Others					38,206	32,400
j) Remuneration to Auditors (Refer Note No.XV)					182,585	153,686
k) Loss on sale of assets					67	-
l) Miscellaneous Expenses					198,629	348,616
Total					6,302,232	6,010,039

NOTES TO FINANCIAL STATEMENTS (Contd.)

	Rupees		Rupees	
	Year ended 31-3-2015	Year ended 31-3-2014	Year ended 31-3-2015	Year ended 31-3-2014
XV REMUNERATION TO AUDITORS CONSISTS OF				
a) As Auditor	56,180	56,180		
b) For Taxation Matters	28,090	28,090		
c) For Other Services	98,315	69,416		
Total	182,585	153,686		
XVI Expenditure in excess of one per cent of total revenue from operation or Rs 1,00,000 whichever is higher included under Miscellaneous Expenses	-	-		
XVII Sales include 42,936 units (Last year 33,352) Rs 2,45,971 (Last year Rs 1,83,436) supplied to Tamil Nadu Electricity Board which were imported for captive consumption. The consumption of the units is included in the expenditure head electricity.				
XVIII Related Party Transactions				
a) Holding Company - Sundram Fasteners Limited, Chennai				
Sales	13,802,121	15,906,198		
Lease Rent paid	108,000	108,000		
Dividend paid	7,940,730	10,587,640		
Amount outstanding - due to the Company	588,101	543,235		
b) Associate - Sundaram-Clayton Limited, Chennai				
Sales	6,944,561	7,888,875		
Lease Rent paid	48,000	48,000		
Dividend paid	3,529,500	4,706,000		
Amount outstanding - due to the Company	294,473	256,333		
c) Associate - Lucas TVS Limited, Chennai				
Sales	7,224,075	7,747,440		
Lease Rent paid	48,000	48,000		
Dividend paid	3,529,500	4,706,000		
Amount outstanding - due to the Company	898,918	309,697		
d) Other related parties				
Fellow Subsidiaries (No Transactions)				
Upasana Engineering Limited, Chennai				
Sundram Fasteners Investments Limited, Chennai				
Sundram Bleistahl Limited, Chennai				
Sundram Fasteners (Zhejiang) Limited, People Republic of China				
Cramlington Precision Forge Ltd., Northumberland, U.K.				
Sundram International Inc., Michigan, USA				
Sundram RBI, Sdn. Bhd. Kuala Lumpur, Malaysia (formerly RBI Auto Parts, Sdn. Bhd.)				
Peiner Umformtechnik GmbH, Peine, Federal Republic of Germany				
PUT Grundstücks GmbH, Peine, Federal Republic of Germany				
TVS Peiner Services GmbH, Federal Republic of Germany (formerly Peiner Logistic GmbH)				
TVS Infotech Limited, Chennai				
TVS Infotech Inc. Michigan, USA				
XIX The directors have waived the sitting fees.				
XX Accounting Standards prescribed by the Institute of Chartered Accountants of India			Annexure I	

SURESH KRISHNA Chairman			As per our report annexed For SUNDARAM & SRINIVASAN Chartered Accountants (Firm Regn. No. 0042075)	
Chennai April 23, 2015	V G JAGANATHAN Director		M BALASUBRAMANIAM Partner Membership No. F 7945	

Annexure I to Notes to Financial Statements for the year ended on 31st March 2015

Notes on Accounting Standards prescribed by the Institute of Chartered Accountants of India

AS 1 Disclosure of accounting policies

The books of accounts are maintained on accrual basis as a going concern.

AS 2 Valuation of Inventories

The Company has no Inventory. Hence this standard is not applicable.

AS 3 Cash flow statements

The Cash Flow Statement is attached.

AS 4 Contingencies and Events occurring after balance sheet date

There are no events occurring after the Balance Sheet Date that require adjustment or disclosure.

AS 5 Net Profit or Loss for the period, prior period items and changes in accounting policies

Prior period items

Repairs & Maintenance Building Rs. 1001
There are no changes in the accounting policies of the Company from the previous year except for Depreciation accounting as detailed below in note AS 6.

AS 6 Depreciation Accounting

Pursuant to the enactment of the Companies Act 2013 (the Act), the Company has, effective from 1st April 2014, adopted the estimated useful lives of its fixed assets, in accordance with the provisions of Schedule II to the Act read with Section 123 of the Act as against Depreciation provided under Straight Line Method as per the amended Schedule XIV of the Companies Act, 1956 in earlier years except for assets costing less than Rs.5000/- for which 100% depreciation has been provided in the year of acquisition itself.

The above change has resulted in lower depreciation of Rs.8,690/- for the year ended 31st March 2015 with consequential impact in profit of the company.

An amount of Rs.66,822/- (net of deferred tax Asset of Rs.32,093/-) has been recognized by reducing the same from the opening balance of general reserve, where the remaining useful life of assets is Nil as on 1st April 2014.

Sundram Non-Conventional Energy Systems Limited

Annexure to Notes to Financial Statements for the year ended on 31st March 2015 (Contd.)

AS 7 Accounting for Construction Contracts

The above standard is not applicable to the Company, as it is not engaged in the business of construction.

AS 8 Accounting for Research and Development

This standard has been withdrawn with effect from 1-4-2003.

AS 9 Revenue Recognition

Revenue is recognized on accrual basis as a going concern.

Income from Sale of power is recognized on the basis of bills raised.

Interest Income is recognized on a time proportion basis based on the rates implicit in the transaction.

Dividend income is recognized when the right to receive dividend is established.

AS 10 Accounting for Fixed Assets

The gross block of fixed assets are displayed at the cost of acquisition, which includes taxes, duties and other identifiable direct expenses incurred upto the date the asset is put to use. All these assets are acquired out of own funds.

AS 11 Accounting for effects of changes in foreign exchange rates

The company has no foreign exchange transactions.

AS 12 Accounting for Government Grants

The Company has not received any grant from the Government.

AS 13 Accounting of Investments

The Company has not made any investments during the year.

AS 14 Accounting for Amalgamation

No Amalgamation was made during the year.

AS 15 Accounting for Employee Benefits

Contribution to Provident fund is made to the Provident Fund Organisation and the same is debited in the Statement of Profit and Loss. The Provisions of the Payment of Gratuity Act, 1972 are not applicable to the Company.

AS 16 Borrowing Cost

Borrowing Cost is not applicable since there are no qualifying assets.

AS 17 Segment Reporting

The Company is engaged in the business of generation of power and accordingly there are no separate reportable segments.

AS 18 Related party disclosures

Please refer to Note No. XVIII of Notes to Financial Statements.

AS 19 Leases

The Company has not entered into any lease agreement on or after 1st April 2003. Hence there is no disclosure required to be made under Accounting Standard AS 19.

AS 20 Earnings per share (EPS)

Basic earnings per share are disclosed in the Statement of Profit and Loss. There is no diluted earnings per share as there are no dilutive potential equity shares.

Sl .No.	Particulars	2014-15	2013-14
a)	Basic/Diluted EPS before considering Extraordinary items (₹)	29.93	36.56
b)	Basic/Diluted EPS after considering Extraordinary items (₹)	29.93	36.56
c)	Weighted average number of shares	4,99,993	4,99,993
d)	Face Value per share (fully paid up)	₹ 10/-	₹ 10/-

AS 21 Consolidated financial statements

This Standard is not applicable to the Company.

AS 22 Accounting for taxes on Income

Provision for Tax has been made for the year. Deferred Tax Asset has been recognised during the year on the grounds of reasonable certainty. Please refer to note no III for details.

AS 23 Accounting for Investments in associates

This Standard is not applicable to the Company.

AS 24 Discontinuing Operations

The company has not discontinued any operations during the year.

AS 25 Interim financial Reporting

This Standard is not applicable to the Company.

AS 26 Intangible Assets

The Company has no intangible assets.

AS 27 Financial Reporting of Interests in Joint Ventures

The Company has no Joint Ventures.

AS 28 Impairment of Assets

The Company has no impaired asset.

AS 29 Provision, Contingent Liabilities and Contingent Assets

	As at 31-3-2015	As at 31-3-2014
	₹	₹
Disputed Income Tax Liabilities not provided for	875,218	875,218

AS 30 Financial Instruments: Recognition and Measurement

a) AS 30 was issued by the Institute of Chartered Accounts of India (ICAI) in 2007 but has not yet been notified by the Government.

b) ICAI has clarified that to the extent of accounting treatments covered by any of the existing notified accounting standards (for eg. AS 11, AS 13 etc.,) the existing accounting standards would continue to prevail over AS 30.

c) The operation of AS 30 is not applicable to the Company.

SURESH KRISHNA Chairman	As per our report annexed For SUNDARAM & SRINIVASAN Chartered Accountants (Firm Regn. No. 0042075)
Chennai April 23, 2015	M BALASUBRAMANIAM Partner Membership No. F 7945
V G JAGANATHAN Director	