

Sundram Non-Conventional Energy Systems Limited

ANNUAL REPORT

**for the year ended
31st March 2016**

Sundram Non-Conventional Energy Systems Limited

REPORT OF THE DIRECTORS TO THE SHAREHOLDERS

The Directors have pleasure in presenting the Twenty Second Annual Report, together with the audited accounts for the year ended 31st March 2016.

FINANCIAL RESULTS

Particulars	2015-16	2014-15
Sales and other income	27,060,130	29,900,831
Gross Profit / (Loss) before interest & depreciation	20,384,452	22,261,762
Less: Interest	335	361
Less: Depreciation	150,579	149,782
Profit / (Loss) before tax	20,233,538	22,111,619
Add / (Less): Provision for Tax (including Deferred Tax)	61,70,046	7,147,878
Profit / (Loss) after tax	14,063,492	14,963,741
Add / (Less): Balance brought forward	14,386,594	17,121,823
Interim Dividend paid	9,999,860	14,999,790
Dividend Distribution Tax paid	2,035,780	2,699,180
Transfer to General Reserve	-	-
Balance carried forward	16,414,446	14,386,594

OPERATIONS

The Sales and other income during the year under review was at ` 27,060,130/- as against ` 29,900,831/- in the previous year. The operating Profit for the year was at ` 20,384,452/- as against ` 22,261,762/- in the previous year. The net profit was at ` 14,063,492/- as against net profit of ` 14,963,741/- in the previous year.

DIVIDEND

The Directors have approved and paid two interim dividends of 200% i.e. ` 20/- 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 2015-2016.

BOARD MEETINGS

During the financial year 2015-2016, there were four Board meetings, which were held on 23rd April, 2015, 29th July 2015, 26th November, 2015 and 16th March, 2016. Sri Suresh Krishna, Director and Sri V G Jaganathan, Director attended all the meetings during the year under review. Ms Usha Krishna, Director and Dr Lakshmi Venu, Director attended two meetings during the year.

DIRECTORS' RESPONSIBILITY STATEMENT

The Directors confirm that: -

- in the preparation of annual accounts, the applicable accounting standards had been followed and there were no material departures.
- 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 2016.
- 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.

REPORT OF THE DIRECTORS TO THE SHAREHOLDERS (Contd.)

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.

DIRECTORS

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 is 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 YEAR

There were no changes in Board of Directors during the year. The Company is not required to have any Key Managerial Personnel.

CHANGE IN THE NATURE OF BUSINESS

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

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 2015-2016, 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.

Sundram Non-Conventional Energy Systems Limited

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. 004207S 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 ratification of their appointment, if made, would be in compliance with the requirements of the Companies Act, 2013 and the

rules made there under. 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 third 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 the year 2015.

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 25, 2016

On behalf of the Board
SURESH KRISHNA
Chairman

Annexure - I

Form No. AOC - 2

[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

1. 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.

2. 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 ₹ 12,335,473	Lease Rent Paid ₹ 108,000	Dividend Paid ₹ 5,293,820
c)	Duration of the contracts / arrangements / transactions	2015 - 2016	2015 - 2016	2015 - 2016
d)	Salient terms of the contracts or arrangements or transactions including the value, if any	Transactions are entered into on commercial pricing terms on arms' length basis as per the Price List of the company / related party or market price as may be applicable from time to time.		
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
Chairman

Chennai
April 25, 2016

FORM NO.MGT-9

EXTRACT OF ANNUAL RETURN

as on the financial year ended 31st March, 2016*[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	92.75

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

S. No.	Name and address of the company	CIN / GLN	Holding / Subsidiary/ Associate	% of votes held	Applicable Section
1	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 and at the end of the year				% change during the year
	Demat	Physical	Total	% of total shares	
A. Promoters					
1. Indian					
a) Individuals / HUF (Nominees of Bodies Corporate)	-	2	2	0.00	Nil
b) Central Govt.	-	-	-	-	-
c) Bodies Corporate	-	499989	499989	100.00	Nil
d) Banks / FI	-	-	-	-	-
e) Any other	-	2	2	0.00	-
Sub-Total (A)(1)	-	499993	499993	100.00	Nil
Foreign	-	-	-	-	-
Sub-Total (A)(2)	-	-	-	-	-
Total shareholding (A) = (A)(1) + (A)(2)	-	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	Nil

(ii) Shareholding of Promoters

S. No.	Shareholders' Name	Shareholding at the beginning and 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	
1	Sundram Fasteners Ltd	264689	52.94	0.00	Nil
2	Sundaram – Clayton Limited	117650	23.53	0.00	Nil
3	Lucas-TVS Limited	117650	23.53	0.00	Nil
4	Nominees of Sundram Fasteners Ltd	2	0.00	0.00	Nil
	Total	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, 2016 - NIL

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

During the year 2015-2016, no remuneration was paid to Directors. There is no Key Managerial Personnel.

VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES

During the year 2015-2016, 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 Auditors' Report to the Shareholders of Sundram Non-Conventional Energy Systems Limited, Chennai for the year ended March 31, 2016

To

The Shareholders 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 ("the company"), which comprise the Balance Sheet as at 31st March 2016, the Statement of Profit and Loss, 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 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.

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 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 the 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.

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 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;

- a) of the state of affairs of the Company as at March 31, 2016;
- b) of the Profit for the year ended on that date; and
- c) of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in term of sub-section (11) of section 143 of the Act, we give in the Annexure a statement on the matters specified in the paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by section 143(3) of the Act, we report that:
 - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b. In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c. The Balance Sheet, the Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d. In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e. On the basis of the written representations received from the directors as on 31st March, 2016, taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2016 from being appointed as a director in terms of Section 164(2) of the Act.
 - f. With respect to the adequacy of internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".
 - g. 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 AS29 of Annexure I to Notes 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. During the year, there was no requirement on the part of the company to transfer any amount to the Investor Education and Protection fund.

Chennai
April 25, 2016

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

ANNEXURE TO INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SUNDRAM NON-CONVENTIONAL ENERGY SYSTEMS LIMITED, CHENNAI FOR THE YEAR ENDED 31ST MARCH, 2016

Annexure referred to in our report under "Report on Other Legal and Regulatory requirements Para 1" of even date on the accounts for the year ended 31st March 2016.

- 1) (a) The company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets;
 - (b) Fixed assets are verified physically by the management in accordance with a regular programme at reasonable intervals. In our opinion the interval is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
 - (c) The title deeds of immovable properties of the Company are held in the name of the company.
 - 2) The Company has no stock of inventory and hence reporting on physical verification does not arise.
 - 3) During the year, the company has not granted any loan to a company, firm, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Companies Act, 2013.
 - 4) During the year, the company has not granted any loan or has made any investments, furnished any guarantees or provided any security. Hence reporting on whether there is compliance with provisions of section 185 and 186 of the Companies Act, 2013 does not arise.
 - 5) The company has not accepted any deposits within the meaning of sections 73 to 76 of the Companies Act, 2013, during the year.
 - 6) According to the information and explanations given to us, the requirement for maintenance of cost records pursuant to the Companies (Cost Records and Audit) Rules, 2014 specified by the Central Government of India under Section 148 of the Companies Act, 2013 are not applicable to the Company for the year under audit.
 - 7) (a) According to the records provided to us, the company is generally regular in depositing undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and other statutory dues with the appropriate authorities. However we have observed delays in remitting sums in respect of Tax deducted at source, Service tax and provident fund.
 - (b) According to information and explanations given to us, the following are the details of the disputed dues that were not deposited with the concerned authorities:
- 8) The company has not availed any term loan from banks or financial institutions. Hence the question of reporting on default in repayment thereof does not arise.
 - 9) The company has not raised any money by way of initial public offer or further public offers including debt instruments or by way of term loan during the year. Hence reporting on utilization of such money does not arise.
 - 10) 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.
 - 11) No managerial remuneration has been paid or provided during the year.
 - 12) The Company is not a Nidhi company and as such this clause of the Order is not applicable.
 - 13) a) In our opinion and according to the information and explanations given to us, all transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013.
 - b) The details of transactions during the year have been disclosed in the Financial Statements as required by the applicable accounting standards. Refer Note no. XVIII to the financial statements.
 - 14) During the year, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures under section 42 of the Companies Act, 2013.
 - 15) According to the information and explanations furnished to us, the company has not entered into any non-cash transactions with directors or persons connected with them.
 - 16) The company is not required to register under section 45-IA of the Reserve Bank of India Act, 1934.

Name of the statute	Nature of dues	Amount (Rs. In Lakhs)	Forum where the dispute is pending
Income Tax Act, 1961	Income Tax	15,409	High Court of Judicature at Madras
Income Tax Act, 1961	Interest	41,38,650	In reassessment proceedings before assessing officer
Income Tax Act, 1961	Tax deducted at Source	6,44,420	In reassessment proceeding before assessing officer

Chennai
April 25, 2016

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

Sundram Non-Conventional Energy Systems Limited

Sundaram & Srinivasan
Chartered Accountants

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

ANNEXURE - A TO INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF SUNDARAM NON-CONVENTIONAL ENERGY SYSTEMS LIMITED FOR THE YEAR ENDED 31ST MARCH 2016

Report on the Internal Financial Controls 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 Sundram Non-Conventional Energy Systems Limited ("the Company") as of March 31, 2016 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 Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). 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.

Auditors' 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") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. 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 includes 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 that:

- I. pertain to the maintenance of records, that in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- II. 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
- III. 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, 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, 2016, based on:

- i. existing policies and procedures adopted by the Company for ensuring orderly and efficient conduct of business.
- ii. continuous adherence to Company's policies.
- iii. existing procedures in relation to safeguarding of Company's fixed assets, investments, inventories, receivables, loans and advances made and cash and bank balances.
- iv. existing system to prevent and detect fraud and errors.
- v. accuracy and completeness of Company's accounting records; and
- vi. existing capacity to prepare timely and reliable financial information.

Chennai
April 25, 2016

For SUNDARAM & SRINIVASAN
Chartered Accountants
(Firm Regn. No. 004207S)
MBALASUBRAMANIAM
Partner
Membership No. F 7945

BALANCE SHEET AS AT MARCH 31, 2016

Sl. No.	Particulars	Note No.	As at March 31, 2016	As at March 31, 2015
I EQUITY AND LIABILITIES				
1. Shareholders' Funds				
a)	Share Capital	I	4,999,930	4,999,930
b)	Reserves and Surplus	II	29,499,129	34,499,059
			27,471,277	32,471,207
2. Non-current Liabilities				
	Deferred Tax Liabilities (Net)	III	98,698	112,143
3. Current Liabilities				
	Other Current Liabilities	IV	4,355,005	4,248,532
			4,355,005	4,248,532
	Total		38,952,762	36,831,882
II ASSETS				
1. Non-current Assets				
a)	Fixed Assets			
	Tangible Assets	V	21,831,968	21,982,547
b)	Long-term Loans and Advances	VIII	4,888,653	4,595,773
c)	Other Non-current Assets	IX	-	3,912
			26,720,621	26,582,232
2. Current Assets				
a)	Trade Receivables	VI	1,846,338	2,071,787
b)	Cash and Cash equivalents	VII	10,073,175	7,837,535
c)	Short-term Loans and Advances	VIII	-	27,571
d)	Other Current Assets	IX	312,628	312,757
			12,232,141	10,249,650
	Total		38,952,762	36,831,882

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 25, 2016

V G JAGANATHAN
Director

M BALASUBRAMANIAM
Partner
Membership No. F 7945

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2016

	Year ended March 31, 2016	Year ended March 31, 2015
A. Cash Flow From Operating Activities		
Net Profit / (Loss) before Tax	20,233,538	22,111,619
Add : Tax relating to earlier years	116,509	(1,379)
	20,350,047	22,110,240
Adjustments For :		
Depreciation	150,579	149,782
Interest Paid	335	361
Interest Income	(895,854)	(1,184,153)
Loss on Sale of Assets	-	67
	(744,940)	(1,033,943)
Operating Profit before Extraordinary items & Working Capital Changes	19,605,107	21,076,297
Adjustments For Changes in Working Capital:		
Trade and other receivables	225,449	(668,494)

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2016

	Note No.	Year ended March 31, 2016	Year ended March 31, 2015
I	Revenue from Operations	25,095,929	28,216,728
II	Other Income	1,964,201	1,684,103
III	Total Revenue	27,060,130	29,900,831
IV Expenses :			
	Employee Benefit Expenses	1,353,139	1,336,837
	Finance Costs	335	361
	Depreciation and amortization expenses	150,579	149,782
	Other Expenses	5,322,539	6,302,232
	Total Expenses	6,826,592	7,789,212
V	Profit and Loss before exceptional and extraordinary items and tax (III-IV)	20,233,538	22,111,619
VI	Exceptional Items	-	-
VII	Profit before extraordinary items and tax (V-VI)	20,233,538	22,111,619
VIII	Extraordinary Items	-	-
IX	Profit before tax (VII-VIII)	20,233,538	22,111,619
X Tax Expense :			
	1) Current Tax	6,300,000	7,100,000
	2) Deferred Tax	(13,445)	46,499
	3) Earlier years	(116,509)	1,379
XI	Profit (Loss) for the year from continuing operations (IX-X)	14,063,492	14,963,741
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)	14,063,492	14,963,741
XVI Earnings per equity share :			
	1) Basic	28.13	29.93
	2) Diluted	28.13	29.93
	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 25, 2016

V G JAGANATHAN
Director

M BALASUBRAMANIAM
Partner
Membership No. F 7945

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2016 (Contd.)

	Year ended March 31, 2016	Year ended March 31, 2015
Other Non Current assets	3,912	-
Other Current assets	129	278,496
Loans and Advances	(173,169)	236,030
Other Current liabilities	106,473	(242,198)
	162,794	(396,166)
Cash Generated From Operations	19,767,901	20,680,131
Less : Direct Taxes Paid	6,392,140	7,505,000
NET CASH FROM OPERATING ACTIVITIES (a)	13,375,761	13,175,131
B. CASH FLOW FROM INVESTING ACTIVITIES :		
Sale of Assets	-	1,333
Purchase of Fixed Assets	-	(344,414)
Interest received	895,854	1,184,153
Dividend received	-	-
NET CASH USED IN INVESTING ACTIVITIES (b)	895,854	841,072

Sundram Non-Conventional Energy Systems Limited

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2016 (Contd.)

	Year ended March 31, 2016	Year ended March 31, 2015
C. CASH FLOW FROM FINANCING ACTIVITIES:		
Interest Paid	(335)	(361)
Dividend Paid	(9,999,860)	(14,999,790)
Dividend distribution tax paid	(2,035,780)	(2,699,180)
NET CASH USED IN FINANCING ACTIVITIES (c)	(12,035,975)	(17,699,331)
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS (a+b+c)	2,235,640	(3,683,128)
CASH AND CASH EQUIVALENTS-Opening Balance	7,837,535	11,520,663
CASH AND CASH EQUIVALENTS-Closing Balance	10,073,175	7,837,535
CASH AND CASH EQUIVALENTS include :		
a) Cash on hand	8,500	8,500
b) With scheduled Banks :		
Current Account	355,759	252,698
Deposit Account	9,708,916	7,576,337
	10,073,175	7,837,535
SURESH KRISHNA Chairman	As per our report annexed For SUNDARAM & SRINIVASAN Chartered Accountants (Firm Regn. No. 004207S)	
Chennai April 25, 2016	V G JAGANATHAN Director	M BALASUBRAMANIAM Partner Membership No. F 7945

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

Sl. No.	Particulars	As at March 31, 2016	As at March 31, 2015		
I SHARE CAPITAL					
a. Authorised					
	35,00,000 Equity Shares of Rs 10 each	35,00,000	35,00,000		
		35,00,000	35,00,000		
b. Issued					
	4,99,993 Equity Shares of Rs 10 each	4,99,930	4,99,930		
c. Subscribed and Paid-up					
	4,99,993 Equity Shares of Rs 10 each fully paid-up	4,99,930	4,99,930		
d. Reconciliation of number of shares					
Sl. No.	Particulars	No. of Shares	Value	No. of Shares	Value
	Equity Shares				
1.	Balance at the beginning of the year	4,99,993	4,99,930	499,993	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	499,993	4,999,930	499,993	4,999,930
e. Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company					
Sl. No.	Particulars	No. of Shares	Shares as % of Total	No. of Shares	Shares as % of Total
	Name of the Shareholder	No. of Shares	No. of Shares	No. of Shares	No. of Shares
1.	Sundram Fasteners Limited, Chennai	264,691	52.94	264,691	52.94
2.	Sundaram-Clayton Limited, Chennai	117,650	23.53	117,650	23.53
3.	Lucas-TVS Limited, Chennai	117,650	23.53	117,650	23.53
f. Shares allotted as fully paid up by way of Bonus Shares (during 5 years immediately preceding March 31, 2016)					
	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 Rs. 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					
1.	Sundram Fasteners Limited, Chennai	264,691		264,691	

NOTES TO FINANCIAL STATEMENTS (Contd.)

	As at 31-3-2016	As at 31-3-2015
II RESERVES & SURPLUS		
a. General Reserve		
1. Balance as at the beginning of the year	13,084,683	13,151,505
2. Add : Transfer from Statement of Profit and Loss	-	-
	Sub Total	13,151,505
3. Less : Net carrying amount of assets whose remaining useful life is NIL as on 01/04/2014 (net of deferred tax - last year - 32,093/-)	-	66,822
4. Balance as at the end of the year	13,084,683	13,084,683
b. Surplus in Statement of Profit and Loss		
1. Balance as at the beginning of the year	14,386,594	17,121,823
2. Profit / (loss) for the year	14,063,492	14,963,741
3. Balance available for appropriation (1 + 2)	28,450,086	32,085,564
Appropriations :		
4. Interim Dividend Paid	9,999,860	14,999,790
5. Tax Paid there on	2,035,780	2,699,180
6. Interim Dividend payable	-	-
7. Tax Payable there on	-	-
8. Transfer to General Reserve	-	-
9. Amount appropriated during the year	12,035,640	17,698,970
10. Balance as at the end of the year(3-9)	16,414,446	14,386,594
Total Reserves and Surplus (a+b)	29,499,129	27,471,277
III DEFERRED TAX LIABILITY (NET)		
Deferred Tax Liability		
1. On Depreciation :		
	As per last Balance Sheet	
	112,143	97,737
	Add: Deferred Tax Liability for the year - arising on account of timing difference relating to depreciation	
	(13,445)	46,499
	(A) 98,698	144,236
2. Less: Deferred Tax Asset for the year - arising on account of timing difference relating to depreciation transferred to retained earnings		
	-	32,093
	(B) -	32,093
Net Deferred Tax Liability (A-B)	(A + B) 98,698	112,143
IV OTHER LIABILITIES		
	Long-term / Non-current	Short-term / Current
	As at	As at
	31-3-2016	31-3-2015
1. Statutory Dues	-	25,310
2. Interest payable on Income Tax	-	4,135,942
3. Outstanding Liabilities	-	193,753
Total	-	4,355,005

NOTES TO FINANCIAL STATEMENTS (Contd.)

V NON-CURRENT ASSETS - FIXED ASSETS

Particulars	Tangible							As at 31-03-2016	As at 31-03-2015
	Land - Free Hold	Buildings	Plant and Equipment	Computers	Office Equipments	Furniture & Fixtures	Vehicles		
A Cost of Assets									
As at 01-04-2015	20,937,774	411,410	2,594,596	73,436	20,705	25,673	138,639	24,202,233	23,896,544
Additions	-	-	-	-	-	-	-	-	344,414
Sales / Discards	-	-	-	-	-	-	-	-	(38,725)
As at 31-03-2016	20,937,774	411,410	2,594,596	73,436	20,705	25,673	138,639	24,202,233	24,202,233
B Depreciation / Amortization									
As at 01-04-2015	-	127,825	1,938,137	41,434	19,669	25,673	66,948	2,219,686	2,008,314
Transferred to Retained earnings	-	-	-	-	-	-	-	-	98,915
Charge for the year	-	13,008	112,630	11,771	-	-	13,170	150,579	149,782
Deduction on sale or discards	-	-	-	-	-	-	-	-	(37,325)
As at 31-03-2016		140,833	2,050,767	53,205	19,669	25,673	80,118	2,370,265	2,219,686
C Written Down Value									
As at 31-03-2016	20,937,774	270,577	543,829	20,231	1,036	-	58,521	21,831,968	21,982,547
As at 31-03-2015	20,937,774	283,586	656,459	32,002	1,036	-	71,691	21,982,547	

	Long-term / Non-current		Short-term / Current			Year ended 31-3-2016	Year ended 31-3-2015
	As at 31-3-2016	As at 31-3-2015	As at 31-3-2016	As at 31-3-2015			
VI 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	-	-	1,846,338	2,054,571			
	-	-	1,846,338	2,071,787			
VII CASH AND BANK BALANCES							
Cash and Cash Equivalents							
a. Balances with Bank							
i) Current Account	-	-	355,759	252,698			
ii) Deposits Accounts - maturity less than 3 months	-	-	-	-			
Cash on hand	-	-	8,500	8,500			
	-	-	364,259	261,198			
b. Other Bank Balances							
Deposits with maturity for more than 12 months	-	-	-	-		894,277	1,184,153
Deposits with maturity for more than 3 months but less than 12 months	-	-	9,708,916	7,576,337		1,577	-
	-	-	-	-		1,024,448	325,000
	-	-	-	-		43,899	174,950
	-	-	-	-		1,964,201	1,684,103
Sub Total	-	-	9,708,916	7,576,337			
Total	-	-	10,073,175	7,837,535			
VIII LOANS AND ADVANCES (UNSECURED, CONSIDERED GOOD UNLESS STATED OTHERWISE)							
Security Deposit	11,302	9,725	-	-			
Other loans and advances							
Advance Income-tax (net of provision for taxation)	3,006,466	2,710,163	-	-			
Income Tax refund receivable	1,870,885	1,870,885	-	-			
Advances recoverable in Cash or in kind	-	5,000	-	-			
Pre paid Expenses	-	-	-	27,571			
Total	4,888,653	4,595,773	-	27,571			
IX OTHER ASSETS (UNSECURED, CONSIDERED GOOD UNLESS STATED OTHERWISE)							
a. Other Receivable	-	-	-	719			
(A)	-	-	-	719			
b. Interest receivable	-	3,912	312,628	312,038			
(B)	-	3,912	312,628	312,038			
Total (A+B)	-	3,912	312,628	312,757			
X REVENUE FROM OPERATIONS							
a. Sale of Power						25,095,929	28,216,728
b. Other Operating Revenue						-	-
Total						25,095,929	28,216,728
XI OTHER INCOME							
Interest on Deposits						894,277	1,184,153
Interest on Electricity Deposits						1,577	-
Sale of Agricultural products						1,024,448	325,000
Scrap sales						43,899	174,950
Total						1,964,201	1,684,103
XII EMPLOYEE BENEFIT EXPENSES							
Salaries, Wages, Bonus and Allowances						1,250,635	1,144,144
Provident Fund						87,285	168,517
Welfare expenses						15,219	24,176
Total						1,353,139	1,336,837
XIII FINANCE COST							
Interest expense						335	361
Total						335	361
XIV OTHER EXPENSES							
a) Lease Rent						204,000	204,000
b) Power & Fuel						367,117	325,386
c) Rates & Taxes						23,739	34,918
d) Insurance						41,700	2,259
e) Security Expenses						924,377	944,754
f) Repairs & Maintenance - Building						354,365	194,660
g) Repairs & Maintenance - Plant & Equipment						2,918,236	4,176,768
h) Repairs & Maintenance - Others						34,825	38,206
i) Remuneration to Auditors (Refer Note No.XV)						200,364	182,585
j) Loss on sale of assets						-	67
k) Miscellaneous Expenses						253,816	198,629
Total						5,322,539	6,302,232

Sundram Non-Conventional Energy Systems Limited

NOTES TO FINANCIAL STATEMENTS (Contd.)

	Rupees		Rupees	
	Year ended 31-3-2016	Year ended 31-3-2015	Year ended 31-3-2016	Year ended 31-3-2015
XV REMUNERATION TO AUDITORS CONSISTS OF				
a) As Auditor	57,250	56,180		
b) For Taxation Matters	40,460	28,090		
c) For Other Services	102,654	98,315		
Total	<u>200,364</u>	<u>182,585</u>		
XVI Expenditure in excess of one percent of total revenue from operation or Rs.1,00,000 whichever is higher included under Miscellaneous Expenses.	-	-		
XVII Sales include 45,996 units (Last Year 42,936) Rs. 2,92,075/- (Last Year Rs.2,45,971) 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	12,335,473	13,802,121		
Lease Rent paid	108,000	108,000		
Dividend paid	5,293,820	7,940,730		
Amount outstanding - due to the Company	767,214	588,101		
b) Associate - Sundaram-Clayton Limited, Chennai				
Sales	6,226,796	6,944,561		
Lease Rent paid	48,000	48,000		
Dividend paid	2,353,000	3,529,500		
Amount outstanding - due to the Company	389,127	299,473		
c) Associate - Lucas TVS Limited, Chennai				
Sales	6,258,801	7,224,075		
Lease Rent paid	48,000	48,000		
Dividend paid	2,353,000	3,529,500		
Amount outstanding - due to the Company	396,259	898,918		
d) Other related parties				
Fellow Subsidiaries (No Transactions)				
TVS Upasana Limited, Chennai (formerly Upasana Engineering Limited, Chennai)				
Sundram Fasteners Investments Limited, Chennai				
Sundram Precision Components Limited, Chennai (formerly 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 upto 30-03-2016				
PUT GrundstUcks GmbH, Peine, Federal Republic of Germany upto 30-03-2016				
TVS Peiner Services, GmbH, Federal Republic of Germany upto 30-03-2016 (formerly Peiner Logistic GMBH)				
TVS Infotech Limited, Chennai				
TVS Infotech Inc, Michigan USA				
Sundram International Limited, United Kingdom				
XIX The directors have waived the sitting fees.				
XX Previous years figures have been regrouped to make them conform to current years classification.				
XXI 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 25, 2016	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 2016

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 6 Depreciation Accounting This standard has been omitted with effect from 30th March 2016.	
AS 2 Valuation of Inventories The Company has no Inventory. Hence this standard is not applicable.	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 3 Cash flow statements The Cash Flow Statement is attached.	AS 8 Accounting for Research and Development This standard has been withdrawn with effect from 1-4-2003.	
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 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 5 Net Profit or Loss for the period, prior period items and changes in accounting policies Prior period items	AS 10 Property, Plant and Equipment The gross block of fixed assets are displayed at the cost of acquisition, which includes taxes, duties and other identifiable direct expenses	
Particulars	2015-16	2014-15
Repairs & Maintenance	Nil	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.		

Annexure to Notes to Financial Statements for the year ended on 31st March 2016 (Contd.)

incurred upto the date the asset is put to use. All these assets are acquired out of own funds.

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 except for assets costing less than Rs.5000/- for which 100% depreciation has been provided in the year of acquisition itself.

Component Accounting - Useful life of whole asset and part of the asset:

In respect of all depreciable assets it was ascertained that useful life of part of the asset is not significantly different from the "whole of the asset". Accordingly, measurement of depreciation is same for component asset and whole of the asset.

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	2015-16	2014-15
a)	Basic/Diluted EPS before considering Extraordinary items (₹)	28.13	29.93
b)	Basic/Diluted EPS after considering Extraordinary items (₹)	28.13	29.93
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 provided for the year. Deferred Tax Asset has been recognized during the year on 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	As at
31-3-2016	31-3-2015

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 Accountants 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 25, 2016	M BALASUBRAMANIAM Partner Membership No. F 7945