

**OPERATIONAL ENERGY GROUP INDIA LIMITED**

*(formerly Sri Balaganapathy Mills Limited)*

A, 5th Floor, Gokul Arcade - East Wing, No.2 & 2A, Sardar Patel Road, Adyar, Chennai - 600 020.

**BALANCE SHEET AS ON 31ST MARCH 2015**

Particulars	Note No.	As at		As at	
		31st March 2015		31st March 2014	
<b>Shareholders' funds</b>					
Share Capital	1	130,418,000		130,418,000	
Share Application Money Pending		-		5,033	
Reserves and Surplus	2	65,375,243	195,793,243	38,545,223	168,968,256
<b>Non-current liabilities</b>					
Long-Term Borrowings	3	7,641,074	7,641,074	8,459,987	8,459,987
<b>Unsecured Loan</b>			60,250,502		35,995,241
<b>Current Liabilities</b>					
Short-term borrowings	4	178,750,975		172,084,378	
Trade Payables	5	68,483,018		47,953,424	
Other current liabilities	6	1,799,662		6,410,728	
Short-term provisions	7	133,678,319	382,711,973	99,495,044	
<b>Total</b>			<b>646,396,793</b>		<b>325,943,574</b>
<b>Assets</b>					
<b>Non-current assets</b>					
<b>Fixed Assets</b>					
Gross Block	8	118,803,920		111,361,830	
Less; Excess Depreciation Written off		(2,947,683)		(1,692,693)	
Less : Depreciation		(60,231,219)	55,625,018	(51,300,468)	58,368,669
Non - current Investments	9		879,034		4,933,323
Long-term loans and advances	10		113,826,398		106,975,883
<b>Current Assets</b>					
Trade Receivables	11	313,534,408		238,827,785	
Cash and Cash Equivalents	12	15,707,901		15,544,693	
Short-term loans and advances	13	28,257,765		33,467,775	
Other Current Assets	14	118,566,266		81,248,929	
<b>Total</b>			<b>476,066,340</b>		<b>369,089,182</b>
			<b>646,396,793</b>		<b>539,367,058</b>

The notes are an integral part of these financial statements.

For Operational Energy Group India Limited

As per our Report of even date  
For Sri & Co  
Chartered Accountants

S.V.Natarajan  
Director

George Jameidas  
Director

M.B. Srinivasan  
Partner

Membership no:027630



CHENNAI  
21.07.2016

# OPERATIONAL ENERGY GROUP INDIA LIMITED

(formerly Sri Balaganapathy Mills Limited)

A, 5th Floor, Gokul Arcade - East Wing, No.2 & 2A, Sardar Patel Road, Adyar, Chennai - 600 020.

## PROFIT AND LOSS ACCOUNT FOR THE PERIOD 31ST MARCH 2015

Particulars	Note No.	Year ended 31st March 2015	Year ended 31st March 2014
Revenue from operations	15	1,201,118,430	1,109,779,832
Other Income	16	599,117	755,002
<b>Total Revenue (i)</b>		<b>1,201,717,547</b>	<b>1,110,534,834</b>
<b>Expenses:</b>			
Cost of Materials Consumed	17	74,024,288	49,535,469
Employee benefits expenses	18	929,027,201	883,355,856
Finance costs	19	30,973,452	20,218,760
Other expenses	20	124,784,718	128,266,796
Depreciation		10,426,627	10,718,152
<b>Total Expenses (ii)</b>		<b>1,169,236,286</b>	<b>1,092,095,033</b>
<b>Profit before tax (i-ii)</b>		<b>32,481,261</b>	<b>18,439,801</b>
Provision for Taxation		5,977,574	-
Deferred Tax		-	-
<b>Profit after tax but before appropriation</b>		<b>26,503,687</b>	<b>18,439,801</b>
Excess Depreciation to be written off		1,254,990	1,692,693
<b>Profit after tax and appropriation</b>		<b>25,248,697</b>	<b>16,747,108</b>

The notes are an integral part of these financial statements.

As per our Report of even date

For Sri & Co

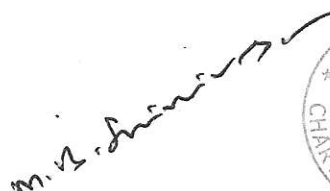
Chartered Accountants



**S.V. Natarajan**  
Director



**George Jameidas**  
Director



**M.B. Srinivasan**  
Partner

Membership no:027630



CHENNAI  
21.07.2016

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Notes Forming Part of Accounts		
Particulars	As at	As at
	31st March 2015	31st March 2014
<b>1. Share Capital</b>		
<b>(a) Authorised:</b>		
40,00,000 Equity Shares of RS.10/- each	400,00,000	400,00,000
	<b>400,00,000</b>	<b>400,00,000</b>
<b>(b) Issued, Subscribed and paid up:</b>		
3397418 Equity Shares of Rs 10/- each	33,000,000	33,000,000
fully paid up		
<b>Total</b>	<b>33,000,000</b>	<b>33,000,000</b>
Share Capital Pending Allotment	97,418,000	97,418,000
	<b>130,418,000</b>	<b>130,418,000</b>

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Notes Forming Part of Accounts		
Particulars	As at	
	31st March 2015	31st March 2014
<b>2. Reserves and Surplus</b>		
Opening balance	38,545,223	19,766,255
Profit for the year	31,226,271	16,747,108
Less:transferred - Provision for taxation	(5,977,574)	
Net transfer- Depreciation - OEG Solar	1,581,323	2,031,860
<b>Balance as at the end of the year</b>	<b>65,375,243</b>	<b>38,545,223</b>
<b>3. Long Term Borrowings</b>		
<b>Term Loans</b>		
<b>From Banks</b>		
	-	-
Axis Bank - Loan - Toyota	972,341	196,075
	-	-
<b>From Other Parties</b>		
Cholamandalam DBS Finance Ltd		
Cholamandalam Investment and Finance Company Ltd		285,277
BMW Financial Services Private Ltd	426,416	898,855
Sundaram Finance Ltd	636,329	826,426
Volkswagen Finance Private Limited	5,605,988	6,253,354
<b>Total</b>	<b>7,641,074</b>	<b>8,459,987</b>
<b>4. Short-term Borrowings</b>		
Secured:		
<b>From Banks</b>		
Working Capital Demand Loan	161,406,373	151,103,240
<b>Loans and Advances</b>		
Loan from K.Subramanyam - SBML	1,636,282	5,515,000
Loan from S.Ramesh - SBML	861,019	861,019
Loan from S.Ramesh - SBML	4,811,453	4,811,453
Loan from R.Sudarshan - SBML	35,000	35,000
Loan from Usha Ramesh - SBML	7,200,848	6,958,666
Pacific Technical Services	2,800,000	2,800,000
<b>Total</b>	<b>178,750,975</b>	<b>172,084,378</b>
<b>5. Trade Payables</b>		
Sundry Creditors	68,483,018	47,953,426
<b>Total</b>	<b>68,483,018</b>	<b>47,953,426</b>
<b>6. Other Current Liabilities</b>		
Other payables - SBML	327,262	252,262
Other payables	1,472,400	6,158,466
	-	
<b>Total</b>	<b>1,799,662</b>	<b>6,410,728</b>
<b>7. Short-term provisions</b>		
Provision for Taxation	5,977,574	-
Provision for Audit Fee	300,000	300,000
Provision for fringe benefit tax	-	159,051
Provision for Expenses Payable	43,433,447	24,884,421
Provision for MAT -2013-14	-	3,098,215
Bonus Payable	10,328,128	10,581,983
Duties & Taxes and Payable	26,042,252	12,534,623
Staff Salary Payable	47,596,918	47,936,751
<b>Total</b>	<b>133,678,319</b>	<b>99,495,044</b>

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Notes Forming Part of Accounts		
Particulars	As at	As at
	31st March 2015	31st March 2014
<b>9. Non - Current Investments</b>		
Metro Global Power Ltd	-	4,452,000
PT OEG Indonesia	-	58,279
OEG Singapore - 1 SGD = 44.00	44	44
Investment in OEG RR Renew Waters	48,000	48,000
Investment in Shapoorji Pallonji OEG Services Private Limited	731,000	275,000
Investment in OEG Solar Energy Private Limited	99,990	100,000
	<b>879,034</b>	<b>4,933,323</b>
<b>10. Long Term Loans &amp; Advances:</b>		
South Ganga Waters Technologies Private Limited	103,464,532	96,614,018
Advance to Land purchase	10,361,865	10,361,865
	<b>113,826,397</b>	<b>106,975,883</b>
<b>11. Trade Receivables</b>		
Unsecured, considered good	313,534,408	238,827,785
Outstanding for a period exceeding 6 months from the date they are due for payment		
Others		-
<b>Total</b>	<b>313,534,408</b>	<b>238,827,785</b>
<b>12. Cash and Bank Balances</b>		
Cash and Cash equivalents		
Cash on hand	100,499	275,751
Cheques on hand		
Bank balances		
In current accounts	15,607,402	15,268,942
Demand deposits (less than 3 months maturity)		
Other bank balances		
Long term deposits with maturity more than 3 months but less than 12 months		
<b>Total</b>	<b>15,707,901</b>	<b>15,544,693</b>
<b>13. Short-term loans and advances</b>		
Advances	16,663,291	29,428,826
Advance to Sujay Waters	339,675	339,675
<b>Share Application money in</b>		
RPA Engineering and Projects Private Limited	950,000	950,000
Metro Global Power Limited	4,452,000	-
OEG - Middle East	1,859,762	-
PT oeg Indonesia	58,279	-
OEG Solar Energy Private Limited	3,934,758	2,749,274
<b>Total</b>	<b>28,257,765</b>	<b>33,467,775</b>
<b>14. Other Current Assets</b>		
TDS	23,021,363	26,267,469
Income tax refund for the year 2008-09	710,341	710,341
Income tax refund for the year 2009-10	185,903	326,430
Income tax refund for the year 2010 -11	10,704,037	10,704,037
Income tax refund for the year 2011- 12	15,140,767	15,140,767
Income tax refund for the year 2012 -13	6,117,726	6,117,726
Incometax Refund for the year 2013-14	24,691,441	-
FBT refund receivable	-	18,524
MAT Receivable for the year 2013-14	2,897,501	3,098,215
Deposits	30,738,402	18,834,540
Others	4,358,785	30,880
<b>Total</b>	<b>118,566,266</b>	<b>81,248,929</b>



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Notes Forming Part of Accounts		
Particulars	31st March 2015	31st March 2014
<b>15. Revenue</b>		
Income from Operations		
Operations Fees		
Maintenance Fees	1,195,525,422	1,027,658,083
Maintenance Fee - Exemption	95,000	665,000
Consumables	5,000,004	79,373,943
Sale of Electricity	-	-
Spares -Sales	498,004	2,082,806
<b>Total</b>	<b>1,201,118,430</b>	<b>1,109,779,832</b>
<b>16. Other Income</b>		
Interest Income	508,265	364,159
Other Income	-	2
Profit on sale of assets	90,852	390,841
<b>Total</b>	<b>599,117</b>	<b>755,002</b>
<b>17. Cost of Materials Consumed</b>		
Chemicals & Consumables	74,024,288	49,245,830
Spares	-	289,639
<b>Total</b>	<b>74,024,288</b>	<b>49,535,469</b>
<b>18. Employee Benefits Expenses</b>		
Salaries & Bonus	660,760,514	624,522,597
PF & ESI	48,849,408	37,936,115
Labour charges	111,156,387	110,751,322
Staff Transport expenses	39,963,024	42,650,015
Staff Food and Refreshment	11,503,309	19,246,453
Staff Accommodation Expenses	16,911,222	21,707,402
Staff Welfare Expenses	14,124,920	11,656,877
Staff Safety Expenses	8,314,391	6,299,569
Gratuity and Leave Encashment	17,444,025	8,585,506
<b>Total</b>	<b>929,027,201</b>	<b>883,355,856</b>

**OPERATIONAL ENERGY GROUP INDIA LIMITED**

(formerly Sri Balaganapathy Mills Limited)

Notes Forming Part of Accounts		
Particulars	31st March 2015	31st March 2014
<b>19. Finance Costs</b>		
Bank Charges	3,367,155	1,584,881
Interest charges	27,606,297	18,633,879
<b>Total</b>	<b>30,973,452</b>	<b>20,218,760</b>
<b>20. Other Expenses</b>		
Office Rent	6,858,436	6,852,959
Advertisement expenses	114,117	191,088
Printing & Stationery	2,900,516	2,620,757
Travelling Expenses	14,836,641	4,988,386
Conveyance Expenses	-	1,015,595
Boarding & Lodging Expenses	-	3,698,814
Business Development Expenses	1,569,912	2,376,550
Testing Expenses & Testing charges	836,269	2,446,588
Office expenses	2,676,909	1,568,601
AMC Charges	2,745,972	5,769,644
Insurance	982,949	451,616
Freight & Transportation	1,555,046	1,939,240
Security Service Charges	1,396,397	7,832,452
Telephone & Communication expenses	3,396,431	4,075,222
Repairs & Maintenance	51,040,772	47,349,102
Electricity & Water charges	2,852,237	2,120,221
Miscellaneous Expenses	17,344,095	11,950,424
Interior Expenses	-	233,408
Fuel for Generator	-	76,189
Rebate	-	348,312
Audit Fees	381,000	388,073
Licenses & Permits	62,271	115,787
Labour Welfare Fund Cont -Employer	27,437	47,364
Books & periodicals	22,264	40,747
Brokerage & Commission Charges	25,125	32,750
Donation		
Recruitment Expenses	288,079	199,321
Subscription	189,690	172,960
Statutory fees & Documentation expenses	44,320	11,879
House Keeping Expenses	1,150,975	750,775
Tender Fees	1,000	638,345
Overhauling charges		
Loss on Sale of Asset	101,706	248,182
Calibration Charges	122,683	449,965
Diesel -Bikaner	-	2,545,820
Diesel -CG	-	288,918
Diesel -OPM	2,654,256	2,534,690
Educational Sponsorship	-	1,500,000
Liquidated Damages	-	1,125,000
Inspection Charges	33,242	53,000
Incentive - Optra	150,000	660,000
Pooja expenses	1,021,752	931,941
Water Charges - Samalpatti	704,925	757,463
Environmental Testing- Samalpatti	131,450	343,400
Professional & Consultancy charges	4,931,671	4,291,221
Professional tax & Property tax	192,751	183,895
Sales Tax , Entry tax, Water tax	60,480	67,476
WCT -Tidel	321,904	0
Vehicle Repairs Expenses	1,059,038	1,982,656
<b>Total</b>	<b>124,784,718</b>	<b>128,266,796</b>



**INDEPENDENT AUDITOR'S REPORT**

To The Members of  
SRI BALAGANAPATHY MILLS LIMITED  
Srivilliputhur

**Report on the financial Statements**

We have audited the accompanying financial statements of **SRI BALAGANAPATHY MILLS LIMITED** ("the merged Company"), which comprise the Balance Sheet as at March 31, 2015, and the Statement of Profit and Loss for the year then ended, and a summary of significant accounting policies and other explanatory information.

**Management's responsibility for the Financial Statements**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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 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 control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2015, and its Profit and its Cash Flow 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"), as amended, issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by section 143 (3) of the Act, we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books
  - c) The Balance Sheet, Statement of Profit and Loss dealt with by this Report are in agreement with the books of account.
  - d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - e) On the basis of written representations received from the directors as on March 31, 2015, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2015, from being appointed as a director in terms of Section 164 (2) of the Companies Act, 2013.



- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- g) With respect to the other matters to be included in the 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 explanation given to us.
- i) The Company had disclosed the impact of pending Litigations on its financial position in its financial statements;
- ii) The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.
- iii) As per the provisions of the companies act, the company is not required to transfer funds to Investor and protection fund.

For SRI & CO.,

FRN: 010495 S

Chartered Accountants

*M. B. Srinivasan*

M.B Srinivasan

Partner.

M.No : 027630



Place: Chennai

Date: 21.07.2016

## "Annexure A" to the Independent Auditors' Report

Referred to in paragraph 1 under the heading 'Report on Other Legal & Regulatory Requirement' of our report of even date to the financial statements of the Company for the year ended March 31, 2015:

On the basis of such checks as we considered appropriate and according to the information and explanation given to us during the course of our audit, we report that:

1. (a) The company has maintained proper records showing full particulars including quantitative details.

(b) As explained to us, fixed assets have been physically verified by the management at reasonable intervals; no material discrepancies were noticed on such verification.

(c) In our opinion and according to the information and explanations given to us, no major fixed asset has been disposed during the year and therefore does not affect the going concern assumption.

2. The company does not hold any inventory. Hence sub clause (a), (b), (c) are not applicable.

3. ***(a) On account of merger of Operational energy group India private Limited(OEG IPL), with this company, the Interest free unsecured loan granted by them to a company under the same management, a party covered in the register maintained under section 189 of the Companies Act, 2013. The number of parties involved is Two. The maximum amount involved during the year was Rs.1177.60 Lakhs and the year-end balance of loan granted to such party was Rs. 1177.60 Lakhs In our opinion and according to the information and explanations given to us, the loan is Interest free and other terms and conditions for such loan are prima facie prejudicial to the interest of the company. The loans granted are re-payable on demand. As the loans are repayable on demand, we are not commenting on the regularity of the principal repayment.***

(b). According to the information and explanations given to us and on the basis of our examination of the books of account, ***the Company has taken loans from Director and other parties listed in the register maintained under Section 189 of the Companies Act, 2013. In our opinion and according to the information and explanations given to us, the loan is Interest free and other terms and conditions for such loans are prima facie not prejudicial to the interest of the company.***

4. In our opinion and according to the information and explanations given to us, there is generally an adequate internal control procedure commensurate with the size of the company and the nature of its business, for the purchase of inventories & fixed assets



and payment for expenses & for sale of goods. During the course of our audit, no major instance of continuing failure to correct any weaknesses in the internal controls has been noticed. But the main company is not having internal audit system commensurate with its size and nature of its business.

5. In our opinion and according to the information and explanations given to us, the company has complied with the provisions of section 185 and 186 of the Companies Act, 2013 in respect of loans, investments, guarantees, and security.
6. The Company has not accepted any deposits from the public and hence the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules, 2015 with regard to the deposits accepted from the public are not applicable.
7. As per information & explanation given by the management, maintenance of cost records has been prescribed by the Central Government under clause (d) of sub-section (1) of section 209 of the Act and we are of the opinion that prima facie the prescribed accounts and records have been made and maintained.
8. (a) According to information and explanations given to us and on the basis of our examination of the books of account, and records, the Company has been 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 any other statutory dues with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the above were in arrears as at March 31, 2015 for a period of more than six months from the date on when they become payable.  
  
(b) According to the information and explanations given to us, **subject to point 3, Disclosure of Contingent Liability in respect of Service Tax, in Schedule, Notes to accounts**, there is no amounts payable in respect of income tax, wealth tax, service tax, sales tax, customs duty and excise duty which have not been deposited on account of any disputes.
9. In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to banks.
10. Based upon the audit procedures performed and the information and explanations given by the management, the company has not raised moneys by way of initial public offer or further public offer including debt instruments and term Loans. Accordingly, the provisions of clause 3 (ix) of the Order are not applicable to the Company and hence not commented upon.
11. Based upon the audit procedures performed and the information and explanations given by the management, we report that no fraud by the Company or on the

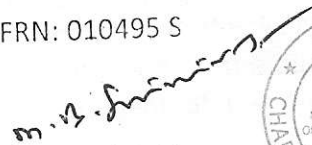


company by its officers or employees has been noticed or reported during the year.

12. Based upon the audit procedures performed and the information and explanations given by the management, the managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act;
13. In our opinion, the Company is not a Nidhi Company. Therefore, the provisions of clause 4 (xii) of the Order are not applicable to the Company.
14. In our opinion, all transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 and the details have been disclosed in the Financial Statements as required by the applicable accounting standards.
15. Based upon the audit procedures performed and the information and explanations given by the management, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of clause 3 (xiv) of the Order are not applicable to the Company and hence not commented upon.
16. Based upon the audit procedures performed and the information and explanations given by the management, the company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, the provisions of clause 3 (xv) of the Order are not applicable to the Company and hence not commented upon.
17. In our opinion, the company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions of clause 3 (xvi) of the Order are not applicable to the Company and hence not commented upon.

Place: Chennai  
Date: 21.07.2016

For SRI & CO.,  
Chartered Accountants  
FRN: 010495 S



M.B.Srinivasan  
(Partner)

M No.: 027630





**“Annexure B” to the Independent Auditor’s Report of even date on the Standalone Financial Statements of SRI BALAGANAPATHY MILLS LIMITED**

**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 SRI BALAGANAPATHY MILLS LIMITED (“the Company”) as of March 31, 2015 in conjunction with our audit of the standalone 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. 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**

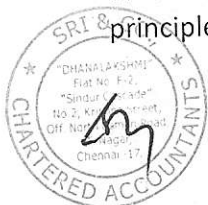
Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) and the Standards on 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 included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgment, 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 (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized 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, 2015.

For and on behalf of

Sri & Co

Chartered Accountants

FRN: 010495S



*M.B. Srinivasan*

M.B. Srinivasan

Partner

M.No:027630

Place: Chennai

Date: 21.07.2016