

**Independent Auditor's Report  
To the Members of Sudharsanam Investments Limited**

**Report on the Financial Statements**

We have audited the accompanying financial statements of Sudharsanam Investments Limited ("the Company"), which comprise the Balance Sheet as at 31 March 2016, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

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

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation 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 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 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, of the state of affairs of the Company as at 31 March 2016, its Profit and its Cash flows for the year ended on that date.

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

- 1) As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure A", a statement on the matters specified in paragraphs 3 and 4 of the Order.
- 2) As required by section 143 (3) of the Act, we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.



- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- c) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this report are in agreement with the books of account.
- d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e) On the basis of the written representations received from the directors as on 31 March 2016 taken on record by the Board of Directors, none of the Directors is disqualified as on 31 March 2016 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) We have enclosed our separate report in "Annexure B" With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
- 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 does not have any pending litigations which would impact its financial position.
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

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

For M.S.Jagannathan & N.Krishnaswami  
Chartered Accountants  
Firm Registration Number: 001208S



K. Srinivasan

Partner

Membership Number: 021510

Chennai  
20 May 2016

## **Annexure A to the Independent Auditor's 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 31 March 2016:

- 1) Fixed Assets
  - 1.1 The Company does not have any fixed assets. Accordingly the provisions of clause 3 (i) of the Order are not applicable to the Company.
- 2) Inventory
  - 1.2 The Company does not have any inventory. Accordingly the provisions of clause 3 (ii) of the Order are not applicable to the Company.
- 3) The Company has not granted any loans to the parties listed in the Register maintained under Section 189 of the Companies Act and accordingly, the provisions of clause 3(iii) of the order are not applicable to the Company.
- 4) 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 Act, in respect of loans, investments, guarantees and security.
- 5) 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.
- 6) The Central Government has not prescribed the maintenance of cost records under section 148(1) of the Act, for any of the services rendered by the Company.



- 7) Undisputed and disputed taxes and duties
- 7.1 The Company is 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 31 March 2016 for a period of more than six months from the date they became payable.
- 7.2 As the company is not having any overdue under dispute relating to Income tax, value added tax and Service tax, accordingly the provisions of clause 3 (vii) (b) of the Order are not applicable to the Company.
- 8) The Company did not have any loans or borrowings from any banks or financial institutions. Accordingly, paragraph 3(viii) of the Order is not applicable to the Company.
- 9) The Company did not raise any money by way of initial public offer or further public offer and term loans during the year. Accordingly paragraph 3(ix) of the Order is not applicable to the Company.
- 10) 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.
- 11) Based upon the audit procedures performed and the information and explanations given by the management, the Company did not paid any Managerial Remuneration. Therefore, paragraph 3(xi) of the Order is not applicable to the Company.
- 12) In our opinion, the Company is not a Nidhi Company. Therefore, the provisions of clause 3 (xii) of the Order are not applicable to the Company.
- 13) 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.

- 14) 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.
- 15) 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.
- 16) 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.

FOR M.S.Jagannathan & N.Krishnaswami  
Chartered Accountants  
Firm Registration Number: 001208S



K. Srinivasan  
Partner

Membership Number: 021510

Chennai  
20 May 2016



"Annexure B" to the Independent Auditor's Report of even date on the Financial Statements of Sudharsanam Investments 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 Sudharsanam Investments Limited ("The Company") as of 31 March 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 internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('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.

**Auditor's Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ("the Guidance Note") 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 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 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 (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 and to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

FOR M.S.Jagannathan & N.Krishnaswami

Chartered Accountants

Firm Registration Number: 001208S



K. Srinivasan

Partner




Membership Number: 021510

Chennai

20 May 2016






**SUDHARSANAM INVESTMENTS LIMITED, RAJAPALAIYAM**  
**BALANCE SHEET AS AT MARCH 2016**

		As at 31.03.2016		As at 31.03.2015	
	Not	Rs.		Rs.	Rs.
<u>Equity and Liabilities</u>					
<b>Shareholders' Funds</b>					
Share capital	1	4,25,00,000		4,25,00,000	
Reserves & Surplus	2	<u>3,94,51,299</u>	8,19,51,299	<u>2,60,69,341</u>	6,85,69,341
<b>Non current liabilities</b>					
Long term Borrowings	3		4,68,79,420		6,02,44,913
<b>Current Liabilities</b>					
Other current Liabilities	4		3,435		10,113
<b>Total</b>			<b>12,88,34,154</b>		<b>12,88,24,367</b>
<u>Assets</u>					
<b>Non current assets</b>					
Non current Investment	5		12,86,25,155		12,86,25,155
<b>Current Assets</b>					
Cash and Cash Equivalents	6	1,05,844		96,057	
Other current assets	7	1,03,155	2,08,999	1,03,155	1,99,212
<b>Total</b>			<b>12,88,34,154</b>		<b>12,88,24,367</b>
As per Report Annexed					
For M/s.M.S.Jagannathan & N.Krishnaswami					
Chartered Accountants					
FRN:001208S					
					
K SRINIVASAN		N.K.SHRIKANTAN RAJA			
Partner					
Membership No.021510					
		PREM G SHANKER			
Date : 20.05.2016					
Place : Chennai					
Directors					

**SUDHARSANAM INVESTMENTS LIMITED, RAJAPALAYAM**

**STATEMENT OF PROFIT & LOSS FOR PERIOD ENDED 31st MARCH 2016**

	Note	As at 31.03.2016	For the year ended 31.03.2015
<b><u>INCOME</u></b>			
Other Income	8	<u>1,34,21,700</u>	<u>29,82,600</u>
<b><u>EXPENDITURE</u></b>			
Other Expenses	9	39,742	17,145
		<u>39,742</u>	<u>17,145</u>
<b>Profit for the year</b>		<b><u>1,33,81,958</u></b>	<b><u>29,65,455</u></b>
Earning per Equity share- Basic & Diluted			
face value of Rs 10 each		3.15	0.70
As per Report Annexed			
For M/s.M.S.Jagannathan & N.Krishnaswami			
Chartered Accountants			
FRN:001208S			
			
		N.K.SHRIKANTAN RAJA	
			
		PREM G SHANKER	
			
K SRINIVASAN			
Partner			
Membership No.021510		Directors	
Date:20.05.2016			



**SUDHARSANAM INVESTMENTS LIMITED, RAJAPALAIYAM**
**Notes accompanying financial statements As at 31.03.2016**

Particulars	As at 31.03.2016		As at 31st March,2015	
<b>1. SHARE CAPITAL</b>				
<b>Authorised Share Capital:</b>	Numbers	Amount	Numbers	Amount
Equity shares of Rs.10/- each	50,00,000	5,00,00,000	50,00,000	5,00,00,000
Issued, Subscribed and paid up:				
Equity shares of Rs.10/-each fully paid up	42,50,000	4,25,00,000	42,50,000	4,25,00,000
1.1 The reconciliation of the number of shares outstanding is set out below				
Equity shares at the beginning of the year	42,50,000		42,50,000	
Add: Number of shares allotted during the year				
Less: Number of shares bought back				
Equity shares at the end of the year	42,50,000	-	42,50,000	-
1.2 The details of shareholders holding shares				
Name of the Shareholder	As at 31.03.2016		As at 31st March,2015	
	No.of Shares	% held	No.of Shares	% held
The Ramco Industries Limited	42,50,000	100	42,50,000	100
	42,50,000	100	42,50,000	100
<b>2.RESERVES AND SURPLUS</b>				
Profit & Loss account		-		
As per last balance sheet		2,60,69,341		2,31,03,886
Add: Profit & loss for the year		1,33,81,958		29,65,455
		3,94,51,299		2,60,69,341
<b>3.LONG TERM BORROWINGS</b>				
<b>Unsecured:</b>				
Loans and advances to related parties -				
Ramco Industries Ltd		4,68,79,420		6,02,44,913
		4,68,79,420		6,02,44,913
<b>4.OTHER CURRENT LIABILITIES</b>				
Audit fees Payable		3,435		10,113
Miscellaneous Deposit		-		
		3,435		10,113
<b>5.NON CURRENT INVESTMENTS</b>				
<b>INVESTMENTS - Quoted</b>				
Investments in Equity Instruments				
Shares in The Ramco Cements Limited				
29,82,600 nos. Equity shares of Rs.1/- each				
fully paid-up		12,86,25,155		12,86,25,155
		12,86,25,155		12,86,25,155
<b>Aggregate amount of quoted investments:</b>				
At cost		12,86,25,155		12,86,25,155
At Market value		1,19,25,92,610		91,01,40,390
<b>6.CASH AND CASH EQUIVALENTS</b>				
Balance with bank-in current account		1,05,844		96,057
		1,05,844		96,057
<b>7.OTHER CURRENT ASSETS</b>				
Advance recoverable		-		-
Tax Deducted at source		1,03,155		1,03,155
		1,03,155		1,03,155
<b>8.OTHER INCOME</b>				
Dividend Income		1,34,21,700		29,82,600
		1,34,21,700		29,82,600
<b>9.OTHER EXPNESES</b>				
Rates & Taxes		34,507		12,089
Audit, Accountancy,Legal & Consultancy Expenses		3,435		3,371
Misc expenses		1,800		1,685
		39,742		17,145