

Upasana Engineering Limited

ANNUAL REPORT

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

Upasana Engineering Limited

REPORT OF THE DIRECTORS TO THE SHAREHOLDERS

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

FINANCIAL RESULTS

Particulars	2014-15	2013-14
Sales and other income	1,025,636,485	905,903,544
Gross Profit / (Loss) before interest & depreciation	151,645,637	153,569,179
Less: Interest	24,079,235	24,331,139
Less: Depreciation	33,464,718	30,574,624
Profit / (Loss) before tax	94,101,685	98,663,416
Add / (Less): Provision for Tax (including Deferred Tax)	27,744,024	36,694,028
Profit / (Loss) after tax	66,357,661	61,969,388
Add / (Less): Balance brought forward	145,495,780	83,526,392
Add / (Less): Net carrying amount of assets whose remaining useful life is NIL as on 01-04-2014 (net of deferred tax)	396,484	-
Balance carried forward	211,456,957	145,495,780

DIVIDEND

With a view to conserve the resources, the Directors do not recommend any dividend for the year under review.

OPERATIONS

During the year under review, the income from operations of the Company amounted to ₹ 1,025,636,485/- as against ₹ 905,903,544/- in 2013-2014. During the year under review, the profit after tax of the Company was ₹ 66,610,389/- as against ₹ 61,969,388 during 2013-2014

TRANSFER TO RESERVES

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

BOARD MEETINGS

During the financial year 2014-2015, there were six Board meetings, which were held on 28th April 2014, 30th May 2014, 25th August 2014, 13th November 2014, 4th February 2015 and 4th March 2015.

DIRECTORS' RESPONSIBILITY STATEMENT

The Directors confirm that:

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

DIRECTORS

In terms of the provisions of sub-section (6) read with explanation to Section 152 of the Companies Act, 2013, two-third of the total number of directors i.e. excluding independent directors, are liable to retire by rotation and out of which,

one-third is liable to retire by rotation at every annual general meeting. Accordingly, Ms Arundathi Krishna, Director of the Company, becomes liable to retire by rotation, at the ensuing AGM, and being eligible, offers herself for re-appointment.

Pursuant to the provisions of Section 149 of the Companies Act, 2013 read with Schedule IV and other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualifications) Rules, 2014, Sri R Ramakrishnan and Sri R Krishnan were appointed as Independent Directors of the Company, *not liable to retire of rotation*, to hold office for a term of 5 (five) consecutive years from 4th March 2015 to 3rd March 2020, at the Extraordinary General Meeting of the Company held on 4th March 2015.

STATEMENT ON DECLARATION GIVEN BY INDEPENDENT DIRECTORS UNDER SUB-SECTION (7) OF SECTION 149

The independent directors have submitted the declaration of independence, as required pursuant to Section 149(7) of the Companies Act, 2013 stating that they meet the criteria of independence as provided in sub-section (6).

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186 OF THE COMPANIES ACT, 2013

The details of Loans, Guarantees, Investments given during the financial year ended on 31st March, 2015 is enclosed vide **Annexure - I** forming part of this report in compliance with the provisions of Section 186 of the Companies Act, 2013 read with Companies (Meetings of Board and its Powers) Rules, 2014 and any amendment(s) relating thereto.

AUDITORS

Pursuant to Section 139 of the Companies Act, 2013, M/s Sundaram & Srinivasan, Chartered Accountants, Chennai, (Registration No. 0042075 with the Institute of Chartered Accountants of India), were appointed as Auditors of the Company at the twenty second annual general meeting of the company for a consecutive period of three years commencing from 26th September, 2014. The Company has received a certificate from the statutory auditors to the effect that if ratification of their appointment, if made, would be in compliance with the requirements of the Companies Act, 2013 and the rules made thereunder. Accordingly, the Board of Directors propose to ratify their appointment of M/s Sundaram & Srinivasan, Chartered Accountants, Chennai as Auditors of the Company for the second consecutive year (in the term of three consecutive years approved at the Twenty Second Annual General Meeting held on 26th September, 2014)

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 - II** 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 - III**.

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 utilized renewable energy in the form of Wind Energy at its hosur plant in lieu of fossil fuels. The Company has nothing to report on technology absorption.

FOREIGN EXCHANGE EARNINGS AND OUTGO

The total foreign exchange earned and used are as under:

Foreign exchange earned (₹ in thousands)	226,775,618	EXPORTS
Foreign exchange earned (₹ in thousands)	13,91,942	OTHERS
Foreign exchange used (₹ in thousands)	4,699,010	OTHER EXPENSES
Foreign exchange used (₹ in thousands)	37,237,360	IMPORTS

Upasana Engineering Limited

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

Name	Designation	Date of appointment	Date of resignation
Sri R Ramakrishnan	Independent Director	4 th March 2015	-
Sri R Krishnan	Independent Director	4 th March 2015	-
Sri R Dilip Kumar	Chief Financial Officer	4 th February 2015	-

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

INTERNAL FINANCIAL CONTROLS

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

RISK MANAGEMENT

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

AUDIT COMMITTEE

The Audit Committee of the Board was reconstituted on 4th March 2015 as per the requirements of Section 177 of the Companies Act, 2013 with Independent Directors forming majority.

The following directors are the members of the Audit Committee:

1. Sri R Ramakrishnan (Chairman)
2. Ms. Arundathi Krishna
3. Sri R Krishnan

The terms of reference of the committee was adopted as per the provisions of the Section 177 of the Companies Act, 2013.

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE (CSR)

The CSR Committee of the Board was constituted on 4th March 2015 as per the requirements of Section 135 of the Companies Act, 2013 with the following Directors as members of the committee:

1. Sri Suresh Krishna, Chairman
2. Ms. Usha Krishna
3. Ms. Arundathi Krishna
4. Sri R Ramakrishnan

The Corporate Social Responsibility policy of the Company was adopted in line with the policy of Sundram Fasteners Limited (Holding Company).

With the enactment of the Companies Act, 2013 and the Companies (Corporate Social Responsibility) Rules, 2014 and any amendment(s) relating thereto, read

with various clarifications issued by Ministry of Corporate Affairs, the Company has undertaken activities as per the CSR Policy (available on your Company's website www.uel.in) and the details are contained in the annual report on CSR activities enclosed vide **Annexure - IV** forming part of this report.

NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration Committee of the Board was constituted on 4th March 2015 as per the requirements of Section 178 of the Companies Act, 2013 with Independent Directors forming one half of the committee constitution.

The following directors are the members of the Nomination and Remuneration Committee:

1. Sri R Ramakrishnan, Chairman
2. Sri Suresh Krishna
3. Ms. Usha Krishna
4. Sri. R Krishnan

The performance evaluation criteria and remuneration policy was adopted by the Board on 4th March, 2015.

Remuneration Policy for Directors, Key Managerial Personnel and other employees
The Company does not pay any remuneration to its Directors and Key Managerial Personnel.

The following will be the guiding factors with respect to remuneration to other employees:

The objective of the policy is directed towards having a compensation philosophy and structure that will reward and retain talent.

Remuneration to other employees will have a balance between fixed and incentive pay reflecting both short and long term performance objectives appropriate to the working of the Company and its goals and objectives. Such remuneration will generally comprise of fixed pay, performance pay, perquisites and other work related benefits.

The Remuneration to other employees shall ensure that the relationship of remuneration to performance is clear and meets appropriate performance benchmarks.

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.

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

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

ACKNOWLEDGMENT

Your Directors thank the holding company, Sundram Fasteners Limited for its continued support. The Directors wish to thank the Company's bankers, customers and vendors for their continued support. They also place on record their appreciation of all the employees of the Company for their contribution and dedicated service.

On behalf of the Board

Chennai
May 28, 2015

SURESH KRISHNA
Director

ANNEXURE - I

Particulars of Loans, Guarantees or Investments under Section 186 of the Companies Act, 2013

Nature of transaction (whether loan/ guarantee/ security/ acquisition)	Date of making loan/ acquisition / giving guarantee/ providing security	Name and address of the person or body corporate to whom it is made or given or whose securities have been acquired (Listed/ Unlisted entities)	Amount of loan/ security/ acquisition / guarantee	Time period for which it is made/ given	Purpose of loan / acquisition / guarantee / security	% of loan / acquisition / exposure on guarantee / security provided to the paid-up capital, free reserves and securities premium account and % of free reserves and securities premium	Date of passing Board resolution	Date of passing special resolution, if required	For loans	
									Rate of Interest	Date of Maturity
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
Investment of 37240 Equity Shares of ₹ 10/- each	29-04-2014	PPS Enviro Power Private Limited (unlisted company) 97/A, Road No.18, Phase-I, IDA, Jeedimetla, Hyderabad-500 055	24,01,000	N.A.	Supply of Power	0.91% / 1.65%	28-04-2014	Not Applicable	N.A.	

Chennai
May 28, 2015

On behalf of the Board
SURESH KRISHNA
Director

ANNEXURE - II

Disclosure of Particulars of Contracts/Arrangements entered into by the Company

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)

S. No.	Name(s) of the related party and nature of relationship	Nature of contracts / arrangements / transactions	Duration of the contracts / arrangements / transactions	Salient features of the contracts or arrangements or transactions including the value	Date of approval by the Board	Amount paid as advances, if any
1.	Sundram Fasteners Limited	Purchase of goods, services rendered, service availed, sale of goods, capital goods purchased, lease rent paid, interest paid	2014-15*	At arms' length basis and in the ordinary course of business Aggregate value of ₹ 184,372,836/-	As the transactions fall under Section 188(1) 3rd proviso, Board approval is not applicable	Nil
2.	TVS Infotech Limited	Services availed	2014-15*	At arms' length basis and in the ordinary course of business Aggregate value of Rs. 2,268,205/-		Nil
3.	Upasana Finance Limited	Interest paid on ICD	2014-15	At arms' length basis and in the ordinary course of business Value Rs.1,150,000		Nil

* Duration of the Transaction.

Chennai
May 28, 2015

On behalf of the Board
SURESH KRISHNA
Director

FORM NO. MGT-9

EXTRACT OF ANNUAL RETURN

as on the financial year ended 31st March, 2015

[Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS

CIN	U65991TN1992PLC022619
Registration Date	6th May 1992
Name of the Company	Upasana Engineering Limited
Category / Sub-Category of the Company	Public Company / Limited by Shares
Address of the Registered Office and contact details	98-A, Dr Radhakrishnan Salai, Mylapore, Chennai – 600 004 Phone : 044 - 28478500 E-mail :
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	Manufacture of Spokes & Nipples, Automobile Kits, Dowels & Rollers Small Screws, Tools and Cold Extruded parts	25991	99.66

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

S. No.	Name and address of the company	CIN / GLN	Holding / Subsidiary	% of votes held	Applicable Section
1	Sundram Fasteners Limited 98-A, VII Floor, Dr Radhakrishnan Salai, Mylapore, Chennai – 600 004	L35999TN1962PLC004943	Holding Company	100.00	2(46)

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

(i) Category wise shareholding

Category of shareholders	No. of shares held at the beginning of the year				No. of shares held at the end of the year				% change during the year
	Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
A. Promoters									
1. Indian									
a) Individuals / HUF (Nominees of Bodies Corporate)	-	6	6	0.00	-	6	6	0.00	Nil
b) Central Govt.	-	-	-	-	-	-	-	-	-
c) Bodies Corporate	-	11899668	11899668	100.00	-	11899668	11899668	100.00	Nil
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any other	-	-	-	-	-	-	-	-	-
Sub-Total (A)(1)	-	11899674	11899674	100.00	-	11899674	11899674	100.00	Nil
Foreign									Nil
Sub-Total (A)(2)	-	-	-	-	-	-	-	-	-
Total shareholding (A) = (A)(1) + (A)(2)	-	11899674	11899674	100.00	-	11899674	11899674	100.00	Nil
B. Public Shareholding									Nil
1. Institutions	-	-	-	-	-	-	-	-	Nil
2. Non-Institutions	-	-	-	-	-	-	-	-	Nil
Total Public Shareholding (B) = (B)(1) + (B)(2)	-	-	-	-	-	-	-	-	Nil
C. Shares held by Custodian for GDRs and ADRs	-	-	-	-	-	-	-	-	Nil
Grand Total = A + B + C	-	11899674	11899674	100.00	-	11899674	11899674	100.00	Nil

(ii) Shareholding of Promoters

S. No.	Shareholders' Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change during the year
		No. of shares	% of total shares of the company	% of shares pledged / encumbered to total shares	No. of shares	% of total shares of the company	% of shares pledged / encumbered to total shares	
1	Sundram Fasteners Ltd	11899668	100.00	0.00	11899668	100.00	0.00	Nil
2	Nominees of Sundram Fasteners Ltd	6	0.00	0.00	6	0.00	0.00	Nil
	Total	11899674	100.00	0.00	11899674	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)

Not Applicable.

Upasana Engineering Limited

(v) Shareholding of Directors and Key Managerial Personnels:

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	S Meenakshisundaram, Director*	1	0.00	1	0.00
2	At the beginning, during and end of the year	R Dilipkumar, CFO & CS*	1	0.00	1	0.00
3	At the beginning, during and end of the year	R Krishnan*	1	0.00	1	0.00

* Nominees of Sundram Fasteners Limited

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment (as on 31st March, 2015)

₹

S. No.	Particulars	Secured Loans	Unsecured Loans	Deposits	Total Indebtedness
1.	Indebtedness at the beginning of the financial year				
	i) Principal amount	14,24,92,316	12,95,00,000	-	27,19,92,316
	ii) Interest accrued but not due	2,09,490	10,35,000	-	12,44,490
	iii) Interest due but not paid				
	Total of (i) + (ii) + (iii)	14,27,01,806	13,05,35,000	-	27,32,36,806
2.	Change in indebtedness during the financial year				
	- Addition	15,00,00,000	24,26,518	-	15,24,26,518
	- Reduction	5,90,95,406	3,79,26,518	-	9,70,21,924
	Net Change	9,09,04,594	(3,55,00,000)	-	5,54,04,594
3.	Indebtedness at the end of the financial year				
	i) Principal amount	23,33,96,910	9,40,00,000	-	32,73,96,910
	ii) Interest due but not paid	-	-	-	-
	iii) Interest accrued but not due	-	10,35,000	-	10,35,000
	Total of (i) + (ii) + (iii)	23,33,96,910	9,50,35,000	-	32,84,31,910

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES

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

Report on Corporate Social Responsibility as per Rule 8 of Companies (Corporate Social Responsibility Policy) Rules, 2014

(i) Brief Outline of the Company's CSR Policy

- a. CSR Committee (CSRC) shall formulate and recommend to the Board the CSR Policy, which shall include statutorily recognized activities.
- b. CSRC to monitor the CSR Policy of the Company.
- c. CSRC shall recommend amount of expenditure to be incurred by the company on CSR activities.
- d. CSRC shall institute a transparent monitoring mechanism for implementation of the activities / projects undertaken by the Company.
- e. The CSRC shall have meetings periodically as it may deem fit with one meeting before finalization of annual accounts. The quorum shall be *either* two members *or* one third of the members of the CSRC, *whichever is higher* with a minimum of two directors, out of which one shall be an independent director.
- f. The CSRC shall invite Managing Directors *and* such of the executives to be present at the meetings of the Committee as may be required by it.
- g. Such other matters as may be prescribed under the Companies Act, 2013 and rules thereunder and such other rules / regulations, as may be applicable from time to time.

(ii) Overview of projects/ programmes

Basic Education programme for standard 6 students of NKT National Education Society.

(iii) Web link: www.uel.in

(iii) Composition of CSR Committee

The following directors are the members of the Corporate Social Responsibility Committee:

1. Sri Suresh Krishna (Chairman)
2. Ms. Usha Krishna
3. Ms. Arundati Krishna
4. Sri R Ramakrishnan

(iv) Average net profits

Average net profits of the company for the last three financial years is ₹ 733.28 Lakhs.

(vi) Prescribed CSR expenditure (two per cent of the amount specified above)

Prescribed CSR expenditure is ₹ 14.67 Lakhs

(vii) Details of CSR spent during the financial year 2014-2015

Total amount to be spent for the financial year 2014-2015 ₹ 14.67 Lakhs

Amount unspent ₹ 8.32 Lakhs

Manner in which the amount spent during the financial year
Basic Education programme for standard 6 students

c. Manner in which the amount spent during the financial year is detailed below:

S. No.	CSR Project or activity identified	Sector in which the project is covered	Projects or programs (1) Local area or other (2) Specify the State and district where projects or programs was undertaken	Amount outlay(budget) project or programs-wise (₹ In Lakhs)	Amount spent on the projects or programs. Sub-heads: (1) Direct expenditure on projects or programs (2) Overheads: (₹ In Lakhs)	Cumulative expenditure up to the reporting period (₹ In Lakhs)	Amount spent: Direct or through implementing agency* (₹ In Lakhs)
1	NKT National Education Society – Basic Education programme for standard 6 students to enable them to cope up with the syllabus	Education	Basic Education programme for standard 6 students	14.67	6.35	6.35	6.35

* Give details of implementing agency:

(viii) In view of new projects contemplated, which requires more financial resources, the remaining amount of ₹ 8.32 Lakhs has not been spent during the financial year 2014-15.

(ix) We hereby confirm that the Implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company.

On behalf of the Board
SURESH KRISHNA
Chairman

Chennai
May 28, 2015

Sundaram & Srinivasan

Chartered Accountants

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

Independent Auditors' Report to the Members of Upasana Engineering Limited, Chennai for the year ended March 31, 2015

To

The Members of Upasana Engineering Limited,
No.98-A, Dr. Radhakrishnan Salai,
Mylapore, Chennai - 600 004.

Report on the Financial Statements

We have audited the accompanying financial statements of Upasana Engineering Limited, Chennai ("the Company"), which comprise of Balance Sheet as at 31st March 2015, Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the

Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements read together with the annexure to our report give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India;

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

Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, we report that:

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books
- (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account
- (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) On the basis of the written representations received from the directors as on 31st March, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements - refer note no 34(29) of notes to financial statements;
 - ii. The Company did not have any long-term contracts including derivative contract for which there were any material foreseeable losses.
 - iii. During the year, there was no requirement on the part of the company to transfer any amount to Investor Education and Protection Fund.

Chennai
May 28, 2015

For SUNDARAM & SRINIVASAN
Chartered Accountants
Firm Regn. No. 0042075

M BALASUBRAMANIAM
Partner
Membership No. F 7945

Sundaram & Srinivasan

Chartered Accountants

New No.4 (Old No.23) C P Ramaswamy Road,

Alwarpet, Chennai 600 018.

Annexure to Independent Auditor's Report to the members of Upasana Engineering Limited, Chennai for the year ended 31st March 2015 (Contd.)

- (a) (i) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (ii) 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.
- (b) (i) The inventory has been physically verified at reasonable intervals during the year by the management. In our opinion, the frequency of such verification is adequate. It was represented to us that inventories with third parties are also verified from time to time.
- (ii) In our opinion and according to the information and explanations given to us, the procedures for physical verification of inventory followed by the management were reasonable and adequate in relation to the size of the company and the nature of its business.
- (iii) In our opinion, the company has maintained proper records of inventory. The discrepancies between the physical stocks and the books were not material and have been properly dealt with in the books of account.
- (c) During the year, the company has not granted any loans, secured or unsecured to any company, firm or other party covered in the register maintained under section 189 of the Companies Act, 2013
- (d) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business, with regard to purchase of inventory, fixed assets and for the sale of goods. During the course of our audit, no continuing failure has been noticed in the internal control system.
- (e) The company has not accepted deposits within the meaning of sections 73 to 76 of the Companies Act, 2013, during the year.
- (f) We have broadly reviewed the books of accounts maintained by the Company pursuant to the rules made by the Central Government under Section 148(1) of the Companies Act, 2013 for maintenance of cost records and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have not however made a detailed examination of records with a view to determining whether they are accurate or complete.
- (g) (i) According to the records provided to us, the company is regular in depositing undisputed statutory dues including Income Tax, Provident Fund, Employees State Insurance, income tax deducted at source, service tax, duty of customs, duty of excise and valued added tax with the appropriate authorities. Depositing sums under wealth tax is not applicable during the year. However

we have observed marginal delays in remitting sums in respect of Income tax deducted at source, Service tax and provident fund.

- (ii) According to the information and explanations given to us, no undisputed amounts payable in respect of Provident Fund, Employees State Insurance, Duty of customs, Duty of excise, Value Added Tax, Service Tax and Income Tax were in arrears, as at 31st March 2015 for a period of more than six months from the date they became payable.

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

Nature of demand	Amount (Rs.)	Forum where dispute is pending
Central Sales Tax	2,68,055	Appellate Deputy Commissioner - CT
Income Tax	70,07,830	Commissioner of Income Tax (Appeals)

- (iv) During the year the company is not required to transfer any amount to Investor Education and Protection Fund.

- (h) The Company neither has accumulated losses as at the end of the financial year nor has incurred cash losses during the financial year and in the immediately preceding financial year.
- (i) During the year under review, the Company has not defaulted in repayment of dues to financial institutions or banks.
- (j) The Company has not furnished any guarantees for loans taken by others from banks or financial institutions.
- (k) In our opinion, the term loans have been applied for the purposes for which they were raised.
- (l) Based on the audit procedures adopted and information and explanations given to us by the management, no fraud by the company has been noticed or reported during the course of our audit. As regards fraud on Company, genuineness of some of the certificates of origin issued by Export Inspection Agency is challenged. Customer's claim on the Company in this regard is indicated as claim not acknowledged as debts by the Company vide Note No. 34(29)(ii)(d).

For SUNDARAM & SRINIVASAN
Chartered Accountants
Firm Regn. No. 0042075

M BALASUBRAMANIAM
Partner
Membership No. F 7945

Chennai
May 28, 2015

Upasana Engineering Limited

BALANCE SHEET AS AT MARCH 31, 2015

Rupees

	Note No.	As at 31-3-2015	As at 31-3-2014
I. EQUITY AND LIABILITIES			
(1) Shareholders' funds			
(a) Share capital	1	118,996,740	118,996,740
(b) Reserves and surplus	2	211,456,957	330,453,697
		145,495,780	264,492,520
(2) Non-current liabilities			
(a) Long Term Borrowings	4	150,000,000	41,300,000
(b) Deferred tax liabilities (Net)	3	18,208,447	19,358,092
(c) Long-term provisions	7	8,714,807	176,923,254
		6,217,135	66,875,227
(3) Current liabilities			
(a) Short-term borrowings	4	177,396,910	218,892,316
(b) Trade payables	5	93,399,584	81,393,999
(c) Other current liabilities	6	28,565,150	37,731,599
(d) Short-term provisions	7	2,214,831	301,576,475
		4,414,473	342,432,387
TOTAL		808,953,426	673,800,134
II. ASSETS			
(1) Non-current assets			
(a) Fixed assets			
(i) Tangible assets	8	254,083,681	195,369,161
(ii) Intangible assets	8	1,300,541	2,447,867
(b) Long-term loans and advances	10	24,812,350	6,851,764
		280,196,572	204,668,792
(2) Current assets			
(a) Current investments	9	3,530,763	1,129,576
(b) Inventories	12	168,202,464	124,443,648
(c) Trade receivables	13	300,982,814	282,099,660
(d) Cash and cash equivalents	14	334,505	228,192
(e) Short-term loans and advances	10	22,838,948	27,768,245
(f) Other current assets	11	32,867,360	528,756,854
		33,462,021	469,131,342
TOTAL		808,953,426	673,800,134

Notes to Financial Statements 1 to 34

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

Rupees

	Note No.	Year ended 31-3-2015	Year ended 31-3-2014
I Revenue from Operations (Gross)			
	15	1,124,232,997	978,116,564
Less: Excise Duty		102,061,528	90,565,852
Revenue From Operations (Net)		1,022,171,469	887,550,712
II Other Income			
	16	3,465,016	18,352,832
III Total Revenue (I + II)			
		1,025,636,485	905,903,544
IV Expenses :			
Cost of Materials Consumed	17	407,218,539	346,037,426
Changes in inventories of Finished Goods, Work-in-Process and Stock-in-Trade	18	(12,204,873)	(11,024,528)
Employee benefit expenses	19	119,047,667	102,218,381
Finance Costs	20	24,079,235	24,331,139
Depreciation and amortization expenses	8	33,464,718	30,574,624
Corporate Social Responsibility Expenditure	21	635,000	-
Other Expenses	22	359,294,701	315,104,061
Total Expenses		931,534,987	807,241,103
V Profit before exceptional and extraordinary items and tax (III-IV)			
		94,101,498	98,662,441
VI Exceptional Items			
	23	(187)	(975)
VII Profit before extraordinary items and tax (V-VI)			
		94,101,685	98,663,416
VIII Extraordinary Items			
		-	-
IX Profit before tax (VII-VIII)			
		94,101,685	98,663,416
X Tax Expense :			
1) Current Tax		30,400,000	36,000,000
2) Deferred tax		(959,223)	(885,244)
3) Earlier years		(1,696,753)	1,579,272
Total Tax		27,744,024	36,694,028
XI Profit (Loss) for the year from continuing operations (IX-X)			
		66,357,661	61,969,388
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)			
		66,357,661	61,969,388
XVI Earnings per equity share :			
1) Basic		5.58	5.21
2) Diluted		5.58	5.21
No. of Shares		11,899,674	11,899,674

Notes to Financial Statements 1 to 34

SURESH KRISHNA
Chairman

ARUNDATHI KRISHNA
Managing Director

S. MEENAKSHISUNDARAM
Director

Chennai
May 28, 2015

R DILIP KUMAR
Chief Financial Officer & Company Secretary

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

M BALASUBRAMANIAM
Partner
Membership No. F 7945

SURESH KRISHNA
Chairman

ARUNDATHI KRISHNA
Managing Director

S. MEENAKSHISUNDARAM
Director

Chennai
May 28, 2015

R DILIP KUMAR
Chief Financial Officer & Company Secretary

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

M BALASUBRAMANIAM
Partner
Membership No. F 7945

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2015

	Rupees	
	Year ended	Year ended
	31-3-2015	31-3-2014
A. Cash Flow From Operating Activities:		
Net Profit before Tax	94,101,685	98,663,416
Adjustments For :		
Exceptional Items		
Provision for Diminution in Investments	(187)	(975)
Depreciation and amortisation	33,464,718	30,574,624
Finance cost (Net)	22,425,859	23,058,767
(Profit)/loss on Sale of Fixed Assets	(335,668)	(45,547)
Dividend Received	(75,952)	(49,232)
Unrealised Exchange (gain)/ loss	2,945,180	(300,546)
	<u>58,423,950</u>	<u>53,237,091</u>
Operating Profit before Extra ordinary items & Working Capital Changes	152,525,635	151,900,507
Adjustments for Changes in Working Capital :		
Trade and other receivables*	(22,371,982)	(38,945,727)
Inventories	(43,758,816)	(16,190,858)
Trade and Other Payables*	18,563,650	(47,567,148)
	<u>321,709</u>	<u>(54,814,876)</u>
Cash Generated From Operations	104,958,487	97,085,631
Less : Direct Taxes Paid	43,385,890	27,158,000
Net Cash From Operating Activities	61,572,597	69,927,631
B. Cash Flow From Investing Activities:		
Purchase of Fixed Assets	(91,829,661)	(18,067,260)
Sale of Fixed Assets	546,510	100,966
Purchase of Investments	(2,401,000)	-
Interest received	1,026,045	641,122
Dividend received	75,952	49,232
Net Cash used in Investing Activities	(92,582,154)	(17,275,940)
C. Cash Flow From Financing Activities:		
Proceeds from Borrowings (net of repayments) #	145,803,782	18,311,519
Repayment of Borrowings	(91,026,518)	(67,000,000)
Finance cost	(23,661,394)	(23,699,889)
Net Cash used in Financing Activities	31,115,870	(72,388,370)
Net Increase / (Decrease) in cash and cash equivalents (A + B + C)	106,313	(19,736,679)
Cash and Cash equivalents - Opening Balance	228,192	19,964,871
Cash and Cash equivalents - Closing Balance	334,505	228,192
Notes:		
Cash and Cash equivalents include:		
a) Cash and cheques on hand	47,675	18,176
b) With Scheduled Banks : Current Account	286,830	210,016
	<u>334,505</u>	<u>228,192</u>

* Excludes unrealised exchange loss of Rs.23,55,955 on trade and other receivables (Last year gain Rs.9,34,052).

Excludes unrealised exchange gain of Rs.38,106 on trade and other payables (Last year loss Rs.2,256).

Excludes unrealised exchange loss of Rs. 6,27,331 on borrowings (Last year loss of Rs.6,31,250).

SURESH KRISHNA Chairman	ARUNDATHI KRISHNA Managing Director	As per our report annexed For SUNDARAM & SRINIVASAN Chartered Accountants Firm Regn. No. 0042075
	S. MEENAKSHISUNDARAM Director	M BALASUBRAMANIAM Partner
Chennai May 28, 2015	R DILIP KUMAR Chief Financial Officer & Company Secretary	Membership No. F 7945

NOTES TO FINANCIAL STATEMENTS AS AT 31ST MARCH, 2015

	Rupees			
	As at		As at	
	March 31, 2015	March 31, 2015	March 31, 2014	March 31, 2014
1 SHARE CAPITAL				
a. Authorised				
1,000 Redeemable Preference Shares of Rs 10 each	10,000		10,000	
1,19,99,000 Equity Shares of Rs 10 each	119,990,000		119,990,000	
b. Issued				
1,18,99,674 Equity Shares of Rs 10 each	118,996,740		118,996,740	
c. Subscribed and Paid-up				
1,18,99,674 Equity Shares of Rs 10 each fully paid-up	118,996,740		118,996,740	
d. Reconciliation of number of shares				
	No. of	Value	No. of	Value
Equity Shares	Shares	Rs	Shares	Rs
1. Balance at the beginning of the year	11,899,674	118,996,740	11,899,674	118,996,740
2. Add : Shares issued during the year	-	-	-	-
3. Bonus Shares issued during the year	-	-	-	-
4. Balance as at the end of the year	11,899,674	118,996,740	11,899,674	118,996,740
e. Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company				
	No. of	Shares as	No. of	Shares as
Name of the Shareholder	Shares	% of Total	Shares	% of Total
	No. of	No. of	No. of	No. of
	Shares	Shares	Shares	Shares
1. Sundram Fasteners Limited, Chennai and its six nominees	11,899,674	100.00	11,899,674	100.00
Sub Total	11,899,674	100.00	11,899,674	100.00
2. Total No. of Shares of the Company	11,899,674	100.00	11,899,674	100.00
f. Shares allotted as fully paid up by way of Bonus shares (during 5 years immediately preceeding March 31, 2015) Equity shares allotted as fully paid up bonus shares : Nil				
g. Terms/rights attached to shares:				
The Company's Authorised capital consists of two class of shares viz., Redeemable Preference shares of face value of Rs. 10/- each and Equity shares of 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. The terms and conditions of redeemable preference shares will be determined at the time of issue of such shares. The Company has not issued any redeemable preference shares and paid up capital consists only of equity shares.				
Rupees				
		As at	As at	
		March 31, 2015	March 31, 2014	
h. Shares held by holding company				
Sundram Fasteners Limited, Chennai and its six nominees	11,899,674		11,899,674	
2 RESERVES & SURPLUS				
a. General Reserve				
1. Balance as at the beginning of the year	Nil		Nil	
2. Add : Transfer from Surplus in Statement of Profit and Loss	Nil		Nil	
3. Balance as at the end of the year	Nil		Nil	
b. Surplus in Statement of Profit and Loss				
1. Balance as at the beginning of the year	145,495,780		83,526,392	
2. Profit for the year	66,357,661		61,969,388	
3. Balance available for appropriation (1 + 2)	211,853,441		145,495,780	
4. Less: Depreciation charged to retained earnings as per Schedule II of the Companies Act, 2013 [Refer Note No.8]	-		-	
a Depreciation charged to Surplus	586,906		-	
b Deferred Tax reversal consequent to above	190,422		-	
c Net amount charged to retained earnings (a+b)	396,484		-	
5. Transfer to General Reserve	-		-	
6. Amount appropriated during the year (4 + 5)	396,484		-	
7. Balance as at the end of the year (3 - 6)	211,456,957		145,495,780	
Total Reserves and Surplus (a+b) = c	211,456,957		145,495,780	

Upasana Engineering Limited

NOTES TO FINANCIAL STATEMENTS (Contd.)

	Rupees	
	As at March 31, 2015	As at March 31, 2014
3. DEFERRED TAX LIABILITY / (ASSETS)		
a. Deferred Tax Liability:		
On Depreciation :		
As per last Balance Sheet	21,106,619	21,881,571
For the current year (transferred from Statement of Profit & Loss)	(167,800)	(774,952)
Tax effect on depreciation as per Companies Act, 2013 charged to surplus	(190,422)	-
Sub Total (a)	<u>20,748,397</u>	<u>21,106,619</u>
b. Deferred Tax Asset :		
i) On Provision for Gratuity		
As per last Balance Sheet	(1,747,648)	(1,218,508)
For the current year (transferred from Statement of Profit & Loss)	(791,524)	(529,140)
Sub Total	<u>(2,539,172)</u>	<u>(1,747,648)</u>
ii) On Provision for Leave Salary		
As per last Balance Sheet	-	(418,571)
For the current year (transferred from Statement of Profit & Loss)	-	(418,571)
Sub Total	<u>-</u>	<u>-</u>
iii) On Provision for Diminution for Investments		
As per last Balance Sheet	(879)	(1,156)
For the current year (transferred from Statement of Profit & Loss)	101	277
Sub Total	<u>(778)</u>	<u>(879)</u>
Sub Total (b)	<u>(2,539,950)</u>	<u>(1,748,527)</u>
Net Deferred Tax Liability (a+b) = c	<u>18,208,447</u>	<u>19,358,092</u>

4. BORROWINGS

	Long-term / Non-current		Short-term / Current	
	As at 31-3-2015	As at 31-3-2014	As at 31-3-2015	As at 31-3-2014
a. Secured Loans from Banks	150,000,000	41,300,000	-	-
Secured by Hypothecation of movable Fixed Assets i.e. specific plant and equipments				
Maturity Profile		Rs.		
Year	31-03-2015	31-03-2014		
2015-16	-	17,700,000		
2016-17	60,000,000	23,600,000		
2017-18	90,000,000	-		
Cash Credit	-	-	37,846,767	43,668,566
Export Packing Credit	-	-	23,850,143	24,023,750
Export Packing Credit - Rupee	-	-	21,700,000	21,700,000
Secured by Hypothecation of current assets viz. Stock of raw materials, work-in-process & finished goods and receivables.				
(A)	<u>150,000,000</u>	<u>41,300,000</u>	<u>83,396,910</u>	<u>89,392,316</u>
b. Unsecured Loans				
Loan repayable on Demand from Holding Company	-	-	82,500,000	118,000,000
from Other - Related Parties	-	-	11,500,000	11,500,000
(B)	<u>-</u>	<u>-</u>	<u>94,000,000</u>	<u>129,500,000</u>
Total (A+B)	<u>150,000,000</u>	<u>41,300,000</u>	<u>177,396,910</u>	<u>218,892,316</u>

NOTES TO FINANCIAL STATEMENTS (Contd.)

	Long-term / Non-current		Short-term / Current	
	As at 31-3-2015	As at 31-3-2014	As at 31-3-2015	As at 31-3-2014
5. TRADE PAYABLES				
Sundry Creditors	-	-	93,399,584	81,393,999
Total	<u>-</u>	<u>-</u>	<u>93,399,584</u>	<u>81,393,999</u>
Trade Payable includes :				
a) Total outstanding Dues of Micro, Small & Medium Enterprises (MSMEs) **	-	-	-	-
b) Total outstanding Dues of Creditors other than MSMEs	-	-	93,399,584	81,393,999
Total	<u>-</u>	<u>-</u>	<u>93,399,584</u>	<u>81,393,999</u>

** Based on the information available with the Company in respect of Micro, Small & Medium Enterprises (as defined in 'The Micro, Small & Medium Enterprises Development Act, 2006'), The company is generally regular in making payments of dues to such enterprises. Hence the question of U212 payments of interest or provision therefor towards belated payments does not arise.

6. OTHER LIABILITIES

a) Current maturities of Long term Loan	-	-	-	11,800,000
b) Interest accrued but not due	-	-	1,035,000	1,244,490
c) Statutory Dues	-	-	2,813,311	2,879,646
d) Unclaimed Wages & Salaries	-	-	537,389	829,864
e) Cenvat availed on Plant & Equipment taken on lease	-	-	5,222,701	5,222,701
f) Outstanding Liabilities	-	-	17,495,984	14,080,968
g) Security Deposit	-	-	10,000	10,000
h) Customer Advances	-	-	277,927	587,687
i) Non Statutory dues	-	-	1,172,838	1,076,243
Total	<u>-</u>	<u>-</u>	<u>28,565,150</u>	<u>37,731,599</u>

7. PROVISIONS

Employee Benefits				
a. Leave Salary	2,942,098	2,037,730	161,460	73,336
b. Gratuity	5,772,709	4,179,405	2,053,371	962,249
Others				
Taxation	-	-	-	3,378,888
Total	<u>8,714,807</u>	<u>6,217,135</u>	<u>2,214,831</u>	<u>4,414,473</u>

Upasana Engineering Limited

NOTES TO FINANCIAL STATEMENTS (Contd.)

10. LOANS AND ADVANCES (UNSECURED, CONSIDERED GOOD UNLESS STATED OTHERWISE)		Non-current		Current	
		As at 31-3-2015	As at 31-3-2014	As at 31-3-2015	As at 31-3-2014
A. Capital Advance	(A)	4,480,068	476,696	-	-
B. Security Deposits	(B)	4,972,545	3,619,442	-	-
C. Other Loans and Advances					
Advance Income tax (net of provision for taxation)		9,408,004	-	-	-
Income Tax Receivable		3,138,430	184,280	1,132,951	1,132,951
Prepaid Expenses		-	-	1,225,381	1,486,956
Loans to employees		2,813,303	2,571,346	170,346	158,733
Advances to Employees		-	-	878,722	930,132
Balances with statutory/government authorities		-	-	816,339	1,165,363
Excise Duty		-	-	5,457,421	6,133,517
Service Tax		-	-	3,851,033	8,406,234
Value Added Tax		-	-	841,616	735,520
Advances recoverable in Cash or in kind or value to be received		-	-	8,465,139	7,618,839
	(C)	15,359,737	2,755,626	22,838,948	27,768,245
Total (A+B+C)		24,812,350	6,851,764	22,838,948	27,768,245
11. OTHER ASSETS (UNSECURED, CONSIDERED GOOD UNLESS STATED OTHERWISE)					
a. Claims Receivable	(A)	-	-	32,856,560	33,454,821
b. Interest receivable	(B)	-	-	10,800	7,200
Total (A+B)		-	-	32,867,360	33,462,021
12. INVENTORIES (VALUED AT LOWER OF COST AND NET REALIZABLE VALUE)					
a. * Stores & Spares		8,086,205	3,877,069	-	-
b. * Loose Tools		17,445,087	19,298,275	-	-
c. * Packing Materials		1,629,852	643,822	-	-
d. * Raw Materials and Components		56,961,515	35,247,464	-	-
e. * Work-in-Process		60,672,425	44,411,299	-	-
f. * Finished Goods		16,909,466	20,965,719	-	-
In transit					
a. * Raw Materials and Components		6,017,914	-	-	-
b. * Loose tools		480,000	-	-	-
Total		168,202,464	124,443,648	-	-
* Certified by Managing Director					
13. TRADE RECEIVABLES (UNSECURED, CONSIDERED GOOD UNLESS STATED OTHERWISE)					
A. Outstanding for a period exceeding 6 months from the date they are due for payment	(A)	-	-	12,177,148	8,946,685
B. Other Receivables	(B)	-	-	288,805,666	273,152,975
Total (A+B)		-	-	300,982,814	282,099,660
14. CASH AND BANK BALANCES					
Cash and Cash Equivalents					
Balances with Bank					
i) Current Account		-	-	286,830	210,016
Cash and Stamps on hand		-	-	47,675	18,176
		-	-	334,505	228,192

NOTES TO FINANCIAL STATEMENTS (Contd.)

15. REVENUE FROM OPERATIONS		Rupees	
		Year ended 31-3-2015	Year ended 31-3-2014
a. Sales of Products (Refer Note 15A)			
Domestic Sales		788,807,700	665,533,040
Export Sales		253,758,521	249,212,172
Sub Total		1,042,566,221	914,745,212
b. Sales of Service			
Sub Contract Receipts		50,748,796	38,133,169
c. Other Operating Revenues (Refer Note 15B)			
		30,917,980	25,238,183
Sub Total		1,124,232,997	978,116,564
Less : Excise Duty		102,061,528	90,565,852
Total		1,022,171,469	887,550,712
15A DETAILS OF PRODUCTS SOLD			
a) Spokes		292,414,808	250,645,679
b) Nipples		144,402,099	115,990,487
c) Automobile Kits		13,603,457	16,982,293
d) Dowel Pins/Engineering Products		8,948,549	20,626,204
e) Carbide Pellet/Trim dies		58,710,610	41,508,460
f) Cold Extrusion Components		497,739,958	463,138,809
g) Steel tools		26,746,740	5,853,280
Total		1,042,566,221	914,745,212
15B OTHER OPERATING REVENUE			
Scrap Sales		24,817,151	18,874,902
Tool development cost recovered		1,691,942	2,217,906
Export Incentives		4,408,887	4,145,375
Total		30,917,980	25,238,183
16. OTHER INCOME			
Interest Income		1,026,045	641,122
Net Foreign exchange gain		-	17,591,317
Dividend - Others - Current Investments		75,952	49,232
Profit on Sale of Assets		335,668	71,161
Other miscellaneous income		2,027,351	-
Total		3,465,016	18,352,832
17. RAW MATERIALS & COMPONENTS CONSUMED			
Opening Stock of Raw Material		35,247,464	25,982,867
Add : Purchase of Materials		428,932,590	355,302,023
Less : Closing Stock of Raw Material		56,961,515	35,247,464
Total		407,218,539	346,037,426
Consumption of Raw Materials under Broad Head			
Spoke wire		150,940,397	126,501,958
Nipple Blanks / Wire		57,485,575	44,315,307
Steel		155,379,399	25,613,583
Steel Bar		37,482,927	142,345,231
Automobile Kits		5,930,241	7,261,347
Consumption Total		407,218,539	346,037,426

Upasana Engineering Limited

NOTES TO FINANCIAL STATEMENTS (Contd.)

33. DETAILS OF SEGMENT INFORMATION AS REQUIRED BY AS 17

Rupees / Lakhs

Particulars / Segment		Spokes & Nipples		Tools		Cold Extruded Components		Others		Total	
		Domestic	Exports	Domestic	Exports	Domestic	Exports	Domestic	Exports	Domestic	Exports
Sales	Year ended 31-3-2015	4,368.17	-	854.57	-	2,526.37	2,451.03	138.96	86.56	7,888.07	2,537.59
	Year ended 31-3-2014	3,666.36	-	467.46	6.16	2,615.43	2,015.96	173.23	202.85	6,922.48	2,224.97
Profit before Interest & Depreciation	Year ended 31-3-2015	459.53	-	82.90	-	469.34	455.34	30.40	18.94	1,042.17	474.28
	Year ended 31-3-2014	426.25	-	54.99	0.72	540.37	416.52	44.60	52.23	1,066.21	469.47
Assets	Year ended 31-3-2015	1,415.11	-	308.09	-	5,664.48	-	701.85	-	8,089.53	-
	Year ended 31-3-2014	1,080.37	-	304.10	-	4,700.99	-	652.54	-	6,738.00	-
Liabilities	Year ended 31-3-2015	368.26	-	113.31	-	942.72	-	3,360.71	-	4,785.00	-
	Year ended 31-3-2014	234.71	-	43.00	-	751.56	-	3,063.80	-	4,093.07	-
Additions : Fixed Assets	Year ended 31-3-2015	65.79	-	0.55	-	848.08	-	3.88	-	918.30	-
	Year ended 31-3-2014	2.17	-	-	-	165.07	-	13.43	-	180.67	-
Depreciation	Year ended 31-3-2015	68.92	-	9.82	-	237.07	-	9.02	-	324.83	-
	Year ended 31-3-2014	61.93	-	9.36	-	220.91	-	7.49	-	299.69	-
Amortisation	Year ended 31-3-2015	-	-	-	-	1.86	-	7.95	-	9.81	-
	Year ended 31-3-2014	-	-	-	-	0.51	-	5.55	-	6.06	-

34. Significant Accounting Policies / Compliance of Accounting Standards issued by the Institute of Chartered Accountants of India	Rupees		Rupees	
	As at / Year ended 31.3.2015	As at / Year ended 31.03.2014		As at / Year ended 31.3.2014
(1) AS-1 : Disclosure of accounting policies				
The accounts are maintained on accrual basis as a going concern.				
(2) AS-2 : Valuation of inventories				
Inventories are valued at lower of cost or net realisable value. Cost is ascertained on weighted average basis in accordance with the method of valuation prescribed by the Institute of Chartered Accountants of India. Raw materials are valued at cost of purchase and includes all expenses incurred in bringing the materials to their present location and condition. Work-in-process and finished goods include conversion costs in addition to the cost of raw materials.				
(3) AS-3 : Cash flow statements				
The Cash Flow Statement (Indirect method) has been attached to the Balance Sheet and Statement of Profit and Loss.				
(4) AS-4 : Contingencies and Events occurring after the balance sheet date				
There are no events occurring after the balance sheet date that require adjustment or disclosure.				
(5) AS-5 : Net profit or loss for the period, prior period items and changes in accounting policies				
i) Net profit for the period				
All items of income and expense in the year are included in the determination of net profit for the period, unless specifically mentioned elsewhere in the financial statements or is required by an Accounting Standard.				
ii) Prior Period items				
a) Freight & Transportation	880	59,017		
b) Books and Periodicals	-	3,355		
c) Staff Welfare expenses	2,661	6,945		
d) Postage & Telecom Expenses	-	1,830		
e) Repairs & maintenance - Buildings	19,771	-		
f) Repairs & maintenance - Other Assets	-	155		
g) Stores and Tools consumed	-	5,392		
h) Rates & Taxes	-	9,697		
i) Travel expenses	1,868	-		
j) Salaries/Wages, Bonus and allowances	14,700	-		
k) Job Work Charges	-	7,303		
	<u>39,880</u>	<u>93,694</u>		
(6) AS-6: Depreciation Accounting				
Depreciation has been provided in the accounts for the financial year 2014-15 on basis of useful life prescribed under Schedule II of the Companies Act, 2013, except in respect of certain category of plant and equipments, where useful life is different than those prescribed under Schedule II. In respect of these assets useful life has been determined based on technical assessments.				
The carrying value of fixed assets whose lives have expired as at 1st April 2014 have been charged to surplus in statement of profit and loss amounting to Rs.3,89,484/- (net of deferred tax Rs.1,90,422/-)				
7) AS-7 : Construction Contracts				
The above standard is not applicable to the Company as it is not engaged in the business of construction.				
(8) AS-8 : Accounting for Research and Development				
This Standard was withdrawn with effect from 1-4-2003 consequent to Accounting Standard AS 26 on Accounting for Intangible Assets becoming mandatory.				
9) AS-9: Revenue Recognition				
Income of the company is derived from sale of products and includes excise duty and is net of sales returns, trade and cash discounts.				
Domestic sales are recognised on basis of sale invoices raised which is after physical clearance of goods sold.				
Export sales are recognised on the basis of date of bill of lading and let export certification.				
Exchange Gain or Loss on Exports are accounted as other income/expense and export benefits are recognised on post shipment basis.				
Interest income/expenses are recognised using the time proportion method based on the rates implicit in the transaction.				
Dividend income is recognised when the right to receive dividend is established.				
The revenue and expenditure are accounted on a going concern basis.				
(10) AS-10 : Accounting for fixed assets				
The gross block of fixed assets are disclosed at the cost of acquisition, which includes taxes, duties (net of excise duty credit availed) and other identifiable direct expenses incurred up to the date the asset is put to use.				
(11) AS-11 : Accounting for effects of changes in foreign exchange rates				
Transactions on account of import of raw materials and other inputs are accounted based on the actual liability incurred if the transactions are settled within the accounting year. Such transactions not settled during the accounting year are accounted on rates prevailing on close of the accounting year.				

NOTES TO FINANCIAL STATEMENTS (Contd.)

	As at / Year ended 31.3.2015	Rupees As at / Year ended 31.03.2014
Export sale realisations are accounted at actual and those not realised within the accounting year are stated at rates prevailing on close of the accounting year.		
Gain or loss arising due to repayment or restatement of liabilities incurred for the purpose of acquiring fixed assets have been recognised in the Statement of Profit and Loss.		
Net exchange difference recognised in the Statement of Profit and Loss - Loss/(Gain)		
under other income/miscellaneous expenses	2,390,011	(17,591,317)
under Finance Cost	1,843,893	2,369,630
(12) AS-12: Accounting for Government grants		
The company has not received any grant from the Government.		
(13) AS-13: Accounting for investments		
(a) Investments are accounted at the cost of acquisition which includes stamp fees, etc. All the investments are Current investments. Necessary provision has been made for the Diminution in the market value of current investments.		
(b) Provision made towards diminution in the value of investments	2,399	2,586
(14) AS-14: Accounting for amalgamations		
The above standard is not applicable as there was no amalgamation during the year.		
(15) AS-15 : Employees Benefit		
(A) Defined Contribution Plan		
Employers Contribution to Provident Fund is recognised as Expense. Contribution to Provident Fund are made to Provident Fund Commissioner.		
Employer's Contribution to Provident Fund	5,213,699	4,316,104
(B) Defined Benefit Plan		
(i) Gratuity		
Retirement benefit in the form of Gratuity Liability is a defined benefit obligation and is provided for on the basis of an actuarial valuation made at the end of each financial year for unit at Chennai.		
In respect of unit at Hosur the liability towards gratuity is recognised on the basis of demand from LIC. The amount so recognised in Statement of Profit and Loss.		
The following tables summarise the components of net benefit expenses recognised in the Statement of Profit and Loss and the funded status and amounts recognised in the balance sheet for the Gratuity.		
	1,068,899	843,014
Statement of Profit and Loss		
Net employee benefit expense (recognised in Employee Cost)		
Current service cost	360,834	299,709
Interest cost on benefit obligation	381,862	235,847
Expected return on plan assets	-	-
Net actuarial loss recognised in the year	1,077,533	996,156
Past service cost	-	-
Liability not accounted as on 31.3.15	-	-
Net benefit expense	<u>1,820,229</u>	<u>1,531,712</u>
Actual return on Plan Assets	-	-
Balance Sheet		
Details of Provision for Gratuity		
Defined benefit obligation	5,914,167	4,298,640
Fair value of plan assets	-	-
Less: Unrecognised past service cost	-	-
Less: Liability not funded as on 31.3.15	-	-
Plan Liability (adjusted from operating revenue/retained earnings)	<u>5,914,167</u>	<u>4,298,640</u>
Changes in present value of the defined benefit obligation are as follows :		
Defined benefit obligation as at April 1, 2014	4,298,640	2,916,126
Interest cost	381,862	235,847
Current service cost	360,834	299,709
Past Service Cost	-	-
Benefits paid	(204,702)	(149,198)
Actuarial loss on obligation	<u>1,077,533</u>	<u>996,156</u>
Defined benefit obligation as at March 31, 2015	<u>5,914,167</u>	<u>4,298,640</u>

NOTES TO FINANCIAL STATEMENTS (Contd.)

	As at / Year ended 31.3.2015	Rupees As at / Year ended 31.03.2014
Changes in the fair value of plan assets are as follows :		
Fair value of plan assets as at April 1, 2014	-	-
Expected return	-	-
Contribution by employer	204,702	149,198
Benefits paid	(204,702)	(149,198)
Actuarial gain	-	-
Fair value of plan assets as at March 31, 2015	<u>-</u>	<u>-</u>
The gratuity scheme is unfunded and the actuarial liability is shown in the Balance Sheet.		
(ii) Leave Salary - Compensated Absences		
The Company also extends defined benefit plans in the form of Compensated absences to employees.		
The Employee Benefits towards Compensated absences are provided on actuarial valuation made at the end of the year.		
Employee benefits towards Compensated absences recognised in the Statement of Profit and Loss are as follows :		
a) Current Service Cost	295,998	229,308
b) Interest Cost	171,648	82,356
c) Actuarial Loss / (gain) on obligation	969,571	1,100,051
Total	<u>1,437,217</u>	<u>1,411,715</u>
(iii) Actuarial Assumptions :		
The Principal assumptions used in determining gratuity benefit obligation and determining company's liability towards employee benefits under Compensated absences are furnished below :		
Discount rate - Gratuity	7.8%	9.1%
Discount rate - Leave Salary	7.8%	9.1%
The estimates of future salary increases, considered in actuarial valuation taking into account of inflation, seniority, promotion, attrition and relevant factors, such as supply and demand in the employment market.		
(16) AS-16: Borrowing Cost		
Interest on borrowings to finance fixed assets are capitalised only if the borrowing costs are attributable to the acquisition of fixed assets that take a substantial period of time to get ready for its intended use. Expenditure incurred on alteration/temporary constructions is charged off as expenditure under appropriate heads of expenditure in the Statement of Profit and Loss in the year in which it is incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.		
Borrowing cost capitalised during the year.	Nil	Nil
(17) AS-17: Segment Reporting		
The Company has considered business segment as the primary segment for disclosure. The identified segments are Spokes & Nipples, Tools, Cold extrusion components and others as per AS17 issued by the Institute of Chartered Accountants of India. The company sells its products in India and also outside India. This is recognised as Secondary Segment Viz. as geographical segment. The details as required are furnished in Note No.33 of Notes to Financial Statements.		
(18) AS-18 : Related Party disclosure		
Related Parties :		
(i) Where Control exists:		
(A) Holding Company		
Sundram Fasteners Limited, Chennai		
- Purchase of Goods	27,840,076	49,398,406
- Services Rendered	50,708,155	38,092,249
- Services Availed	13,203,324	13,337,869
- Sale of Goods	76,663,542	49,787,528
- Capital Goods purchased	57,868	-
- Lease Rent Paid	7,424,322	7,424,322
- Outstanding amount payable by reporting entity	5,515,256	12,948,829
- Outstanding amount due to reporting entity	29,762,930	22,213,726
- Inter Corporate Deposit Received (Net of Repayments)	(35,500,000)	(67,000,000)
- Interest paid	8,475,549	11,890,274
- Outstanding amount payable by the Company	<u>82,500,000</u>	<u>118,000,000</u>

Upasana Engineering Limited

NOTES TO FINANCIAL STATEMENTS (Contd.)

	As at / Year ended 31.3.2015	Rupees As at / Year ended 31.03.2014
(B) Fellow Subsidiary - Foreign		
Peiner Umformtechnik GmbH, Peine, Germany		
- Sale of Goods	-	616,384
- Amount Outstanding due to the company	-	1,157,563
(C) Fellow Subsidiary - Domestic		
TVS Infotech Limited, Chennai (Associate upto 17th June 2014)		
Services availed	2,268,205	2,724,738
- Outstanding amount payable by the Company	431,946	1,232,831
(D) Other related parties - Fellow Subsidiaries (No transactions)		
Sundram Fasteners Investments Limited, Chennai		
Sundram Bleistahl Limited, Chennai		
Sundram Non-conventional Energy Systems Limited, Chennai		
Sundram Fasteners (Zhejiang) Limited, Peoples Republic of China		
Cramlington Precision Forge Ltd., Northumberland, United Kingdom		
Sundram International Inc, Michigan, USA		
Sundram RBI SDN. BHD, Malaysia		
PUT Grundstucks GmbH, Peine, Federal Republic of Germany		
TVS Peiner Services, GmbH (Formerly Peiner Logistick GmbH), Peine, Federal Republic of Germany		
TVS Infotech Inc., Michigan USA (Associate upto 17th June 2014)		
(II) Key Management Personnel (No Transaction)		
Ms. Arundathi Krishna - Managing Director		
Mr R Dilipkumar, Chief Financial Officer & Company Secretary		
(III) Enterprise in which Key Management Personnel have significant influence : Upasana Finance Limited , Chennai		
Interest expense	1,150,000	1,150,000
Interest payable	1,035,000	1,035,000
Principal Amount payable by the company outstanding	11,500,000	11,500,000
(19) AS-19 : Accounting for Leases		
The company has entered into lease agreements for a period up to five years, which are in the nature of operating leases as defined in the Accounting Standard prescribed by the Institute of Chartered Accountants of India.		
(a) Future minimum lease payments under non cancellable operating leases in respect of lease agreements entered into on or after 1.4.2001:		
Up to One year	6,794,322	6,794,322
One to five years	10,912,580	17,706,902
Total	17,706,902	24,501,224
(b) Lease payments recognised in the Statement of Profit and Loss	6,794,322	6,794,322
(c) Significant Leasing arrangements:		
The company has entered into leasing arrangements in respect of Plant and equipments		
(i) Basis of determining contingent rent :		
Contingent rents are payable for excessive, improper or unauthorised use of the asset, beyond the terms of the lease agreement, prejudicially affecting the resale value of the asset, either by way of increase in lease rentals or by way of lump-sum amount, as agreed between the parties.		
(ii) Renewal / purchase options and escalation clauses :		
Lease agreements are renewable for further period or periods on terms and conditions mutually agreed between the parties. Variations in lease rentals are made in the event of a change on the basis of computation of lease rentals by the lessor.		
(iii) There are no restrictions imposed by the lease arrangements, concerning dividends, additional debt and further leasing.		

NOTES TO FINANCIAL STATEMENTS (Contd.)

	As at / Year ended 31.3.2015	Rupees As at / Year ended 31.03.2014
(20) AS-20 : Earnings per share		
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.		
Basic / Diluted EPS before considering Extra - ordinary items	5.58	5.21
Basic / Diluted EPS after considering Extra - ordinary items	5.58	5.21
Weighted Average Number of Shares	11,899,674	11,899,674
Face Value per share fully paid-up	Rs 10/-	Rs 10/-
(21) AS-21 : Consolidated financial statements		
Not Applicable as the company does not have any subsidiary.		
(22) AS-22 : Accounting for taxes on income		
Tax expense comprises of current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income tax Act, 1961. Deferred income taxes reflect the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years.		
(23) AS-23 : Accounting for Investments in associates in Consolidated Financial Statements		
The Company has no associate.		
(24) AS-24 : Discontinuing Operations		
The Company has not discontinued any operations during the year.		
(25) AS-25 : Interim Financial Reporting		
Not Applicable as the Company is not a listed Company.		
(26) AS-26 : Intangible Assets		
Software acquired by the company is amortised over five years.		
Amount amortised and debited in Statement of Profit and Loss	981,386	605,680
(27) AS-27 : Financial Reporting of Interests in Joint Ventures		
The Company has not entered into any joint venture agreements		
(28) AS-28 : Impairment of Assets		
The Company has no Impairment loss during the year.	-	-
(29) AS-29 : Provisions, Contingent Liabilities and Contingent Assets		
(i) Contingent Liability		
on Letters of Credit	20,035,403	-
(ii) Liabilities disputed not provided for		
(a) Estimated amount of contracts remaining to be executed on capital account and not provided for	24,855,823	53,639,442
(b) Disputed liabilities not provided - Central Sales Tax	566,329	566,329
(c) Disputed liabilities not provided - Income Tax	7,007,830	-
(d) Claims not acknowledged as Debts	2,456,094	-
(iii) Contingent Assets	-	-
(30) 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 of India		
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) Since the company follows the accounting treatment specified in the AS 30 through the accounting treatment under existing accounting standards i.e. AS 11 & AS 13 etc. AS 30 is not followed.		
SURESH KRISHNA Chairman	ARUNDATHI KRISHNA Managing Director	As per our report annexed For SUNDARAM & SRINIVASAN Chartered Accountants Firm Regn. No. 0042075
	S. MEENAKSHISUNDARAM Director	MBALASUBRAMANIAM Partner
Chennai May 28, 2015e34e	R. DILIP KUMAR Chief Financial Officer & Company Secretary	Membership No. F 7945