

19th Annual Report
(Year Ended 31st March, 2011)

“Source That Never Ends”



SUN SOURCE (INDIA) LIMITED

सन सोर्स (इन्डिया) लिमिटेड

NOTICE

The Nineteenth Annual General Meeting of the members of M/s. **SUN SOURCE (INDIA) LIMITED** is scheduled to be held on Thursday, the 29th September, 2011 at 11.00 A.M. at its Registered Office Situated at One- Sonal Industrial Estate (Khoda), Sanand Viramgam Highway, Ahmedabad - 382170 to transact the following business:

ORDINARY BUSINESS:

- (1) To receive, consider and adopt the Balance Sheet as at 31st March, 2011, Profit and Loss Account for the year ended on that date together with Reports of Directors' and the Auditors' thereon.
- (2) To appoint Mr. Ikshit Amin as a Director, who retires by rotation and offer himself to re-appoint as a director of the Company.
- (3) To re-appoint Statutory Auditors of the Company and to fix their remuneration.

NOTES:

- (1) A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ALSO ENTITLED TO APPOINT A PROXY INSTEAD OF HIMSELF TO ATTEND AND VOTE AT THE MEETING. A PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE INSTRUMENT APPOINTING THE PROXY MUST BE LODGED WITH THE COMPANY AT LEAST 48 HOURS BEFORE THE TIME AT WHICH THE MEETING IS SCHEDULED TO BE HELD. THE PROXY FORM IS ATTACHED HEREWITH.
- (2) Register of Index and Registers of members shall remain closed for a period from 26th September, 2011 to 29th September, 2011 (Both days inclusive).

Registered Office :-

One- Sonal Industrial Estate (Khoda),
Sanand Viramgam Highway,
Ahmedabad - 382170

By order of the Board of Directors

Place: - Khoda, Ahmedabad

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Chairman

Date: - 30th May, 2011

SUN SOURCE (INDIA) LIMITED

DIRECTORS' REPORT

To,

The Members
SUN SOURCE (INDIA) LIMITED

Your Directors are pleased to present the Nineteenth Annual Report together with the Audited Accounts of the Company for the year ended 31st March 2011.

SUMMARIZED OPERATIONAL RESULTS:

	For the Year ended <u>31.03.2011</u>	For the Year ended <u>31.03.2010</u>
Sales (Net)	13,962,175	3,800,710
Profit before Tax	1,12,712	45,489
Provision for taxation	1,50,000	NIL
Net Profit after Tax	-37,279	45,489
Balance Carried to Balance Sheet	2,004,888	2,169,717

DIVIDEND:

During the year under consideration, due to loss the board could not recommend dividend for the year under consideration and regret for the same.

REVIEW OF CURRENT PERFORMANCE:

As you all know that since last three - four years your company has started functioning and as a result the year under consideration has generated revenue of just Rs. 139.62 lacs as against Rs. 38.00 lacs for the previous year. It means the company has achieved a growth by 367%. However due to previous years' losses, the company is not in a position to generate Profit. The board is also of the view that the revenue being generated by the company is not to the expectation and all the positive efforts are now being put by the board to expand the activities of the company including introduction of new line of activities in tune with the present market need.

During the current year your company is targeting to achieve the turnover of Rs. 350 lacs. The management of the company is also putting all the efforts to install all the technical equipments at Rajasthan so that production of non-conventional power generation can start. Even, very recently, the Central Government has introduced subsidiary scheme for this kind of project and as a result, the company is anticipating to generate profit in subsequent years.

The company has also started recruiting employees so the target can be archived easily in a scheduled time.

DIRECTORS' RESPONSIBILITY STATEMENT:

Pursuant to the requirements under Section 217 (2AA) of the Companies Act, 1956, with respect to Directors' Responsibility Statement, it is hereby confirmed:

- (i) That in the preparation of the accounts for the financial year ended 31st March, 2011, the applicable accounting standards have been followed along with proper explanation relating to material departures wherever necessary;
- (ii) That the Directors have selected such accounting policies and applied them consistently and made judgements and estimates that were 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 loss of the Company for the year under review.
- (iii) That the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) That the Directors have prepared the accounts for the financial year ended 31st March, 2011 on a 'Going Concern' basis.

AUDITORS OBSERVATIONS

The auditors in their report has qualified that the company has failed to make provisions in respect of deferred tax liability. This was mainly due to reasons that the company was virtually defunct company and was not doing any commercial activity. However, the board is of the view that over a next few years qualifications as provided in the report of auditors will be taken care and the company will be fully compliance company..

AUDITORS:

M/s. Joshi Jain and Co., Chartered Accountants, Vadodara, the auditors of the Company, shall retire at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment. They have furnished a certificate to the effect that their proposed re-appointment if made, will be in accordance with sub-section (1B) of Section 224 of the Companies Act, 1956.

INSURANCE:

All moveable and fixed Assets are adequately insured

DISCLOSURES:

- (a) CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN

EXCHANGE EARNINGS/OUTGO:

The particulars prescribed by the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 is not applicable mainly due to reason that the company has not carried out any commercial activity and also nature of business and hence not provided for.

(b) ENVIRONMENTAL CONTROL AND ABATEMENT OF POLLUTION:

Your Company is not in manufacturing business and hence not generating pollution and hence not applicable.

ACKNOWLEDGEMENT:

Your Directors wish to place on record their sincere thanks for the valuable assistance and guidance given by Banks, Central Government and State Government from time to time. Your Directors also wish to note the dedicated services of all the officers and employees of the Company.

Registered Office:
One- Sonal Industrial Estate (Khoda),
Sanand Viramgam Highway,
Ahmedabad - 382170

By order of the Board of Directors

Place: - Khoda, Ahmedabad

sd

Chairman

Date: - 30th May, 2011

SUN SOURCE (INDIA) LIMITED

REPORT ON CORPORATE GOVERNANCE

A. COMPANY'S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE:

The Company has accepted the concept of Corporate Governance as challenge and committed to achieve highest level of Corporate Governance. The Corporate Governance is nothing but transparency, high level of disclosure and fairness and unbiased to the members of the company. To achieve the highest level of Corporate Governance, the Company has developed a team of educated, experienced, qualified management team. The Board of Directors of the Company effectively monitor the Management progress and corporate decisions.

B. BOARD OF DIRECTORS

As per the requirements of Corporate Governance, the composition of Board of Directors consisting only of Non Executive Directors and some of them are independent directors.

Composition and Category of Board of Directors

Presently, the Company has 4 (Four) Directors of whom two directors are independent directors. The details of each such directors are;

Sr. No.	Name of Directors	Category of Directorship	Directors inter se relationship, if any	No. of other Directorship/Firm	No. of Committee positions held in other Public Company		No. of Share/ (%)
					Chair man	Mem ber	
1	Mr. Ashok Kantilal Gajjar	Promoter/ Non Executive Director	Mrs. Priti Kurendu Amin is Daughter	Nil	Nil	Nil	0.03
2	Mrs. Priti Kurendu Amin	Non Executive Director	Mr. Ashok Gajjar is Father	Nil	Nil	Nil	Nil

3	Mr. Ikshit Manish Amin	Non Executive/ independent Director	N.A.	Nil	Nil	Nil	Nil
4	Mr. Dinesh Velji Patel	Non Executive/ independent Director	N.A.	Nil	Nil	Nil	Nil

- Mr. Ashok Gajjar is the Chairman of the Company, None of the Directors are inter related with each other's except Mr. Ashok Gajjar and Mrs. Priti Amin.
- **No. of Board Meetings held during 01-04-2010 to 31-03-2011**

During the financial year, Board of Director met 6 times. The dates of such Board Meetings are: -

- May 28, 2010
- July 15, 2010
- September 13, 2010
- September 30, 2010
- November 10, 2010
- February 14, 2011

ATTENDANCE OF DIRECTORS

Directors	Attended	Last Annual General Meeting Attended
Mr. Ashok Gajjar	6/6	YES
Mrs. Priti Amin	6/6	YES
Mr. Ikshit Amin	6/6	YES
Mr. Dinesh Patel	6/6	YES

PARTICULARS OF DIRECTORS RETIRING BY ROTATION AND BEING REAPPOINTED.

Mr. Ikshit Amin, Director is retiring by rotation at the Annual General Meeting and being eligible for the reappointment.

Mr. Amin is B com by qualification and having total experience of 14 years in the field of Education, Real Estate, Automobiles, Power, Mining etc.

Mr. Amin is not holding any equity shares of the company and he is not a Director in any listed company or member of any committee of listed company.

C. **AUDIT COMMITTEE**

Terms of Reference:

The terms of reference of this committee cover the matters specified for Audit committee under revised Clause-49 of the Listing Agreement as well as in section 292A of the Companies Act, 1956.

Composition:

The reconstituted audit committee comprising of following members: -

- Mr. Ikshit Amin
- Mr. Dinesh Patel
- Mr. Ashok Gajjar

Mr. Ikshit Amin, is a Chairman of Audit Committee and not holding any directorship in any other company

Meetings and attendance:

In the financial year, the audit committee met 6 times i.e. 28.05.2010, 15.07.2010, 13.09.2010, 30.09.2010, 10.11.2010 and 14.02.2011 All the members were present in all the meetings.

D. **REMUNERATION COMMITTEE:**

No remuneration is being paid to any director of the company. Even its a non mandatory requirement, the company has not constituted remuneration committee.

E. **INVESTORS' GRIEVANCE AND SHAREHOLDERS' COMMITTEE**

As per the requirements of Listing Agreement, the Investor Grievance and Share Transfer Committee comprising of Mr. Ashok Gajjar, Mr. Ikshit Amin and Mr. Dinesh Patel.

Mr. Ashok Gajjar is the Chairman of the Committee.

Mr. Ashok Gajjar is acting as Compliance Officer for all committee referred above.

During the year the company has not received any complaints, grievance from the shareholders. No Complaint or grievance is pending. Whatever the requests for transfer and transmission, dematerialisation etc. from the shareholders were considered well in time and none of the request is pending with the company as on the date of this report.

F. GENERAL BODY MEETING

Location and time of last three Annual General Meeting.

Year	Date and Time	Location
2009-2010	Sept 30, 2010 10:30 AM	1, Sonal Industrial Estate Khoda, Sanand Viramgam Hignway, Ahmedabad-382170.
2008-2009	Sept 30, 2009 11:00 AM	1, Sonal Industrial Estate Khoda, Sanand Viramgam Hignway,, Ahmedabad-382170.
2007-2008	Sept 30, 2008 11:30 AM	1, Sonal Industrial Estate Khoda, Sanand Viramgam Hignway, Ahmedabad-382170.

No special Resolution was passed during the previous three AGMs. Even no special resolution was passed last year through postal ballot.

Postal Ballot

The company is not proposing to pass any special resolution through postal ballot.

G. DISCLOSURE ON MATERIALLY SIGNIFICANT RELATED PARTY TRANSACTION.

During the year, the company has not carried out any transaction with related party as provided in the Accounting Standard-18 and hence details not provided .

H. DETAILS OF NON COMPLIANCE BY THE COMPANY.

During the last three years no penalties, strictures were imposed by the stock exchange or other statutory authorities.

Whistler Blower Policy being Non Mandatory, the company has not adopted the same. No personnel have been denied access to the audit committee.

The company has complied with all the mandatory requirements as prescribed under revised clause 49 of the Listing Agreement.

I. MEANS OF COMMUNICATION

Quarterly / Half yearly results

Quarterly /Half-yearly financial results being a published in Western Times, English edition and Western Times Gujarati Edition periodically and also being informed to the Stock Exchanges where the shares are listed.

- No official news released during the Year.
- No presentation was made to institutional investors or to the analyst.
- Management Discussion and Analysis report forming part of this Annual Report.

J. GENERAL SHAREHOLDER INFORMATION

Annual General Meeting: Date, Time and Venue:

29th day of September, 2011 at 11:00 AM. at 1, Sonal Industrial Estate Khoda, Sanand Viramgam Hignway, Ahmedabad-382170.

Financial Calendar: April - March

- ⇒ Financial reporting for the first quarter ending on June, 2011:July, 2011
- ⇒ Financial reporting for the second quarter ending on September, 2011:October, 2011
- ⇒ Financial reporting for the third quarter ending on December, 2011: January, 2012
- ⇒ Financial reporting for the last quarter ending on March, 2012: April-May, 2012
- ⇒ Annual General Meeting for Financial Year 2011-2012: September, 2012

The above dates are tentative, subject to change

- Dates of Book Closure: 26/09/2011 to 29/09/2011 (Both days including)
- The company has not declared dividend.

K. LISTING ON THE STOCK EXCHANGES

Name of Stock Exchanges & Script Code No.:- 517403. The company's equity shares are listed at

- The Ahmedabad Stock Exchange Limited (ASE)
- The Bombay Stock Exchange Limited (BSE)
- The Delhi Stock Exchange Limited
- The Vadodara Stock Exchange Limited (VSE)

Listing fees for the financial year 2010-2011 has been paid to all the above Stock Exchanges.

L. MARKET PRICE DATE:

Not applicable as the company's shares are under suspension at Bombay Stock Exchange Limited.

M. **REGISTRAR AND TRANSFER AGENT**

M/s. Purva Sharegistry (India) Pvt. Ltd.,
9, Shivshakti Industrial Estate,
Sitaram Mills Compound,
J. R. Boricha Marg,
Opp. Kasturba Hospital,
Lower Parel (East)
Mumbai - 400 013,
Contact No.: - +91 022 23010771

Acting as Registrar and Transfer (R&T) Agent for share transfer and dematerialisation work.

N. **SHARE TRANSFER SYSTEM**

Share transfer would be registered and returned within a period of 30 (Thirty) days from the date of receipt. The share transfer committee meets on 15 days gap depending upon number of transfers received.

O. **DISTRIBUTION OF SHAREHOLDING (AS ON 31-03-2011)**

No. of Equity Shares held		Shares/ Debenture holders		Shares/ Debenture Amount	
Sr. No	From - To	NUMBER	% To Total	In Rs.	% To Total
1	Up to 5000	35136	93.46	64602370	44.89
2	5001 - 10000	1963	5.13	14429540	10.03
3	10,001 - 20,000	273	0.71	4060500	2.82
4	20,001 - 30,000	68	0.18	1757000	1.22
5	30,001 - 40,000	29	0.08	1085900	0.75
6	40,001 - 50,000	61	0.16	3036300	2.11
7	50,001 - 1,00,000	30	0.08	2552000	1.77
8	1,00,000 - Above	75	0.20	52391000	36.40
Total.....		38235	100.00	143914610	100.00

O. **DEMATERIALISATION OF SHARES AND LIQUIDITY:**

The Company has entered into an agreement with both i.e. NSDL and CDSL so that the shareholders of the company could avail the benefit of multi depository system. Up-to 31/03/2011, 10,13,960 shares were dematerialized

Outstanding ADR/GDR etc.: - Not applicable

P. **CORRESPONDENCE MAY BE ADDRESS TO:-**

Mr. Ashok Gajjar, a Compliance Officer

Registered officer

1, Sonal Industrial Estate Khoda,
Sanand Viramgam Highway,
Ahmedabad-382170.

Phone No.: - 079 - 26421455-66

Email ID:- sunsourceindia@gmail.com

Tel. No.: - (0265) 2581521

Web Site:- www.sunsourceindia.com

Corporate Officer

Sankalp building
Besides Banker's Heart Institute,
Old Padra Road
Vadodara - 390006

Q. DECLARATION OF CODE OF CONDUCT:

As per the terms of the amended clause 49 of the Listing Agreement, we hereby confirm that all the board members and Senior Management personnel of the company have affirmed the compliance of the code of business conduct for the year ended on 31/03/2011.

R. CEO/CFO CERTIFICATE: -

The Board has received CEO/ CFO Certificate as required under Clause 49 of Listing Agreement and the same was adopted by the Board.

Date: - 30th May, 2011.

CORPORATE GOVERNANCE AUDITOR CERTIFICATE

To
The Members
SUN SOURCE (INDIA) LIMITED
Ahmedabad

We have examined the compliance of conditions of Corporate Governance by SUN SOURCE (INDIA) LIMITED for the year ended 31-03-2011, as stipulated in clause 49 of the Listing Agreement(s) of the said Company with the Stock Exchange(s) in India.

The compliance of conditions of Corporate Governance is the responsibility of the Company's Management. Our examination was limited to the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of an opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, the Company has complied with the conditions of Corporate Governance as stipulated in the abovementioned Listing Agreement.

We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Place: Vadodara

For Sachin Joshi & Co.
Chartered Accountants

Date: 30th May, 2011

Sd/-
Sachin Joshi
Proprietor
Membership No. 119560

Management Discussion and Analysis Report

CAUTIONARY STATEMENT

Statements made in this Management Discussion & Analysis Report on the Financial Condition and Results of Operations of the Company describing the Company's objectives, expectations or predictions may appear to be futuristic within the meaning of applicable laws/regulations. These statements are based on certain assumptions and expectations of events that may or may not take place in future.

The Company does not guarantee that the assumptions and expectations are accurate and/or will materialize. The Company assumes no responsibility to publicly amend, modify or revise the statements made therein nor does it assume any liability for them. Actual performance can vary substantially from those expressed in the foregoing statements. The investors are, therefore, cautioned and requested to take the considered decision in this regard.

INDUSTRY STRUCTURE AND DEVELOPMENTS:

The solar industry has gone through one of the most eventful – and frightening – years in recent history. The last 12 months have brought financial chaos, falling demand for solar products, rising inventory and rounds of consolidation. Yet today, because of continued political support for solar, the industry is moving into 2011 with strong momentum. That's not to say the next 12 months will be easy. Electricity and heating fuel prices have fallen substantially, and many consumers are still holding off big purchases like solar PV or solar thermal. At the same time, the prices of solar technologies like PV have fallen 35% since this time last year. That could make for a dramatic rise in solar adoption as home and business owners see prices bottoming out.

In order to encourage the continued adoption of solar and other renewable energy technologies, the U.S government has rolled out new support mechanisms through the stimulus package. It will also help create strong growth into 2011, which most people believe will be another record-breaking year as utilities get serious about solar PV and Concentrating Solar Power. Meanwhile, companies continue to break efficiency records and roll out new products that make solar more cost-competitive.

DISCUSSION ON FINANCIAL PERFORMANCE:

Since last three years company has started functioning and as a result it has generated revenue of Rs. 139.62 lacs as against Rs. 38.00 lacs for the previous year, it is an indicator for future bright prospects of the Company. However due to previous years' losses, the company is not in a position to generate Profit. The board is also of the view that the revenue being generated by the company is not to the expectation and all the positive efforts are now being put by the board to expand the activities of the company including

introduction of new line of activities in tune with the present market need.

During the current year your company is targeting to achieve the turnover of Rs. 350 . the management of the company is also putting all the efforts to install all the technical equipments at Rajasthan so that production of non-conventional power generation can start. Even, very recently, the Central Government has introduced subsidiary scheme for this kind of project and as a result, the company is anticipating to generate profit in subsequent years.

The company has also started recruiting employees so the target can be archived easily in a scheduled time.

OPPORTUNITIES & THREATS:

India can afford to raise the share of renewable energy in national power output to 10% by 2015 from under 4% today, says a new report. Allocation for new and renewable energy ministry increased by 61% to Rs 1,000 crore.

A so-called national action plan on climate change recommends India should generate 10% of power from solar, wind, hydro power and other renewable energy sources by 2015, and 15% by 2020. But the high production cost and its effect on state power utilities' budgets is viewed as a deterrent.

The incremental impact on power purchase costs pan-India would be about 1.5 paise a unit in 2011 diminishing to 0.1 paise by 2015, says the report. The maximum impact for any state would be 4.2 paise a unit in 2011, which would go down to about 1 paise by 2015.

India has to import nearly three-fourths of its energy needs due to a limited stock of conventional energy sources. India's renewable energy potential is 100,000MW from solar energy and another 85,000MW from non-solar sources. Of that, only around 17,220MW has been tapped. This includes 69% from wind energy, 16% from small hydropower units and 8% from cogeneration. The remaining 7% covers solar energy and other sources, according to Crisil.

More reliance on renewable energy will not only help India reduce its import bill but also cut back its contribution to polluting gases that are blamed for climate change worldwide.

The Central Electricity Regulatory Commission (CERC) has come up with guidelines on issuing renewable energy certificates (RECs) from September to promote green energy. Certificate holders will be able to sell green energy to states, individuals or other trading entities.

States have been allotted different renewable energy purchase obligations (RPOs). While Gujarat met its target for 2009-10, states such as Tamil Nadu came close.

For instance, most of the wind potential is available in states like Tamil Nadu, Karnataka, Gujarat, Andhra Pradesh, Maharashtra, Rajasthan, Madhya Pradesh and Kerala. There are also states like Chhattisgarh, Uttarakhand and Himachal Pradesh where there is moderate RE (renewable energy) potential (primarily small hydropower). Remaining states have very little RE potential.

SECTOR OUTLOOK:

Solar energy offers enormous potential for a tropical country like India where around 45% of households, mainly rural ones, do not have access to electricity, says a new research report "Indian Solar Energy Market Outlook 2012" from a leading research company RNCOS.

India receives solar energy equivalent to more than 5,000 Trillion kWh per year, which is far more than its total annual energy consumption. The country's geographical location, large population and government support are also assisting it to become one of the most rapidly emerging solar energy markets in the world. Consequently, the country is becoming a favorite investment destination for both local as well as global players.

Demand for solar products has been rising rapidly over the recent years, especially in rural areas, and is expected to continue growing substantially during our forecast period (2009-2012). The total number of solar lanterns in India is projected to grow at a CAGR of about 40% between 2009 and 2012.

"Indian Solar Energy Market Outlook 2012" provides a rational analysis and extensive research on the solar power industry in India. It thoroughly examines the current industry trends which are adding to the growth of solar power market of the country. The report highlights the emerging segments of solar power industry and their market potential to serve the enormous population of the country. It will help clients to understand the market dynamics and get an insight of the current and future outlook of solar power market in India.

Besides giving projections on various energy indicators, the report also gives forecast on various segments of the solar power industry based on feasible solar industry environment in India. These include:

- Solar Street Lighting System
- Solar Home Lighting System
- Solar Lantern
- Solar Photovoltaic Pumps
- Solar Water Heating System
- Solar Cookers

The forecast given in this report is not based on a complex economic model, but is intended as a rough guide to the direction in which the market is likely to move. This forecast is

based on correlations between past market growth, growth of base drivers and possible impact of recession in the economy.

INTERNAL CONTROL AND RISK MANAGEMENT:

Sun Source has in progress to implement a system of internal control over financial reporting of all transactions along with demonstrated efficiencies in operations and compliance of relevant laws and statutory regulations.

Sun Source understands the necessity of having excellent operational efficiencies to fuel and support its plans for charting out its growth trajectory. On monitoring the developments in domestic and global economy closely, we feel that in the near term, major challenge lies in managing the growth and at the same time retaining reasonable profitability. The strategies adopted to achieve growth may make us susceptible to risks, but we are confident that our risk management approach and reporting systems would enable identification of critical risks beyond certain tolerance levels, to be reported for further action. We are planning to formulate an integrated Enterprise Risk Management Policy, which may identifies and addresses various risks on a proactive and structured manner.

SAFETY, HEALTH AND ENVIRONMENT:

Your Company continues to give priority to the Safety, Health and Environment. Preservation & promotion of environment is of fundamental concern in all our business activities.

HUMAN RESOURCES:

The Company continued to have cordial & harmonious relations with its employees. The Company recognizes and sincerely appreciates the hard work put in by all its employees. The Company is planning to execute whilst blower policy.

For and on behalf of the Board of Directors

Sd/-
Chairman

Date: 30th May, 2011
Place: Khoda, Ahmedabad

AUDITOR'S REPORT

To,
THE MEMBERS OF
SUN SOURCE (INDIA) LIMITED.

We have audited the attached BALANCE SHEET of SUN SOURCE (INDIA) LIMITED as at 31st March, 2011 and also the PROFIT & LOSS ACCOUNT and the CASH FLOW STATEMENT for the year ended on that date, annexed thereto.

These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our Audit.

We have conducted our audit in accordance with auditing standards generally accepted in India. These Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An Audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides reasonable basis for our opinion.

As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government in terms of Section 227 (4A) of the Companies Act, 1956, we enclose in the annexure a statement on the matters specified in para 4 & 5 of the order.

Further to our comments in the annexure, We report that:

- (a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
- (b) In our opinion, proper books of Account as required by law have been kept by the company, so far as appears from our examination of these books.
- (c) The Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of accounts.
- (d) In our opinion, Profit & Loss Account and Balance Sheet and Cash Flow Statement, comply with Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956.
- (e) On the basis of written representations received from the Directors of the Company and taken on the records by the Board of Directors, we report that none of the directors are disqualified as on 31st March, 2011 to act as directors of this company under clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
- (f) We further report that:
No Provision for Deferred Tax has been made (refer note " ___ " Schedule R). Amount not ascertainable as Written Down Value as per Income Tax Act, 1961 not available.

Subject to above, In our opinion and to the best of our information and according to the explanation given to us, the said accounts subject to the para 4(d) and para 4(f) above, read with the significant accounting policies and notes to the accounts thereon, give the

information required by the Companies Act, 1956, in the matter so required and give a true and fair view in conformity with the accounting principles generally accepted in India except

- i) in the case of the Balance sheet, of the state of affairs of the Company as at 31st March, 2011.
- ii) in the case of the Profit & Loss Account, of the Profit for the year ended on that date. And,
- iii) in case of Cash Flow Statement, of the cash flows for the year ended on that date.

As per Our Report of Even Date

For Joshi Jain & Co
Chartered Accountants

Sd/-
Sachin Joshi
Partner
Membership No: 119560

Place: Vadodara
Date: 30th May, 2011.

ANNEXURE TO THE AUDITOR'S REPORT
(REFFRED TO IN PARA (3) OF OUR REPORT OF EVEN DATE)

1. (a) The Company has not maintained proper records showing all full particulars including quantitative details and situation of fixed assets. We are informed that due to floods in the past, the records were destroyed.

(b) None of the assets of the Company have been physically verified by the management during the year.

(c) No assets of the Company were disposed off during the year & hence going concern concept is not affected. However, the company has started commercial operation.
2. (a) The company is not maintaining inventory.

(b) In view of our comments in para ii(a) above, para ii(b) regarding procedure of verification of inventories, is not applicable.

(c) As the company is in to trading operations, they are not maintaining proper records of its inventory and hence discrepancies could not be assessed.
3. According to the information and explanation given to us the transactions that need to be entered into the register maintained under section 301 of the Companies Act, 1956 have not been so entered. However, the Company has granted loans, secured or unsecured, to the various companies, firms or other parties and there is no repayment of the said loan/s. The loan/s is/are interest free & hence its terms are prejudicial to the interest of the company.
4. In our opinion and according to the information given to us during the course of the audit, there are no purchases of inventory and /or fixed assets. However, as informed to us, Sale of goods was carried out under supervision of a Director. Under the circumstances, we are unable to express on Internal control procedures.
5. (a) According to the information and explanations given to us the transactions that need to be entered in the register maintained u/s 301 of the Companies Act, 1956 have not been so entered. As informed to us, during the year there are no such transactions.

(b) In view of our comments in para v(a) above, para v(b) regarding reasonableness of transaction is not applicable.
6. The Company has not accepted any deposits from the public during the period and hence question of compliance of RBI directives and provisions of Sec. 58A and 58AA of the Companies Act, 1956 does not arise. However, refund to be given to share holders who were not allotted shares in previous years is shown under the head 'Other Liabilities'. As explained to us, earlier, it was secured by matching Fixed Deposits with Banks. Now, the said Deposit is withdrawn & hence it has become Unsecured. To that extent there is default u/s 58A/58AA of the Companies Act, 1956.
7. The Company does not have an internal audit system, as there are hardly any operations during the year.
8. No manufacturing activities have been carried out during the year. Para 4(Viii) of the Companies (Auditor's Report) Order 2003 is therefore not applicable.
9. (a) In our opinion and according to the information and explanation given to us the Company's generally regular in depositing undisputed statutory dues such as PF, ESI, IT, ST,

Central Excise Duty, Custom Duty etc. with appropriate authorities and no undisputed amounts payable as on 31st March 2010.

(b) Following dues payable to various government authorities are disputed & hence not paid or provided for by the company. Disputed dues not paid Rs. 3 lacs (Approx) to GEB.

10. There are no accumulated losses as at the end of the financial year. The Company has not incurred the cash losses during the current financial year and immediately preceding financial year.
11. In our opinion and according to the information and explanation given to us, there are no dues payable to financial institutions or Bank or debenture holders.
12. According to the information and explanation given to us, the company has not granted loans and advances on the basis of security by way of pledge of shares, debentures & other securities and hence maintenance of records does not arise.
13. In our opinion the Company is not Chit Fund or a Nidhi / Mutual Benefit Funds/ Society, therefore the provision of clause 4 (xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
14. In our opinion the Company is not dealing or trading in shares, Securities, Debentures and other investments. Therefore the provision of clause 4(xiv) of the Companies (Auditor's Report) Order 2003 are not applicable to the company.
15. According to the information and explanation given to us and records examined by us the Company has not given any Guarantee for the Loans taken by others from banks or financial institutions.
16. The Company has not taken any term loan during the year and hence the question of commenting or default in application thereof does not arise.
17. According to the information and explanation given to us an on overall examination of the Balance sheet of the Company, we report that no funds raised on short term basis used for long term investment.
18. The Company has not made any preferential allotment of shares during the year.
19. The Company has not issued any debentures during the year and hence the question of creating any securities/charge thereof does not arise.
20. During the period the Company has not raised money by public issue.
21. According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the course of our Audit

For Joshi Jain & Co
Chartered Accountants

Sd/-
(Sachin Joshi)
Partner
Membership No: 119560

Place: Vadodara
Date: 30th May, 2011.

SUN SOURCE (INDIA) LIMITED
BALANCE SHEET AS AT 31ST MARCH, 2011

Particulars	Schedule	As at 31.03.2011 Rupees	As at 31.03.2010 Rupees
A SOURCES OF FUNDS:			
1. Shareholder' Fund			
a) Share Capital	A	114,556,550	114,556,550
b) Reserves & Surplus	B	35,501,707	35,666,616
2. Unsecured Loan	C	4,139,879	-
Total		154,198,136	150,223,166
B APPLICATION OF FUNDS:			
Fixed Assets			
Gross Block	D	57,036,064	57,036,064
Less: Depreciation		2,738,523	2,423,769
		54,297,541	54,612,295
Add: Pre-operative Exp.pending allocation		25,173,070	25,173,070
		79,470,611	79,785,365
Investments	E	977,900	942,900
Current Assets, Loans and Advances:			
a) Inventories	F	-	-
b) Sundry Debtors		7,315,800	1,863,800
c) Cash & Bank Balances		2,129,976	804,926
d) Loans & Advances		48,063,597	47,918,659
e) Deposits		12,765,601	10,008,101
		70,274,974	60,595,486
Less: Current Liabilities & Provisions:			
a) Sundry Creditors	G	5,610,010	-
b) Other Liabilities		1,476,851	1,476,851
c) Provisions		427,834	613,080
		7,514,695	2,089,931
Net Current Assets	F-G	62,760,279	58,505,555
Miscellaneous Expenses (To the extent not written off or adjusted)			
Preliminary Expenses		10,989,346	10,989,346
Total		154,198,136	150,223,166

Notes to the Accounts
As per our Report of Even Date
For Joshi Jain & Co
Chartered Accountants
ICAI Registration No 128820W

K

-
-
For Sun Source India Limited

sd/-
Sanchin Joshi
Partner
Membership No 119560
Vadodara
Date : 30th May 2011
Place Vadodara

sd/-
Ashok Gajjar
Director

sd/-
Priti Amin
Director

SUN SOURCE (INDIA) LIMITED
PROFIT & LOSS Account for the year ended 31st March, 2011

Particulars	Schedule	2010 - 11 Rupees	2009-10 Rupees
INCOME:			
Sales	H	13,962,175	3,800,710
Other Income		1,279,867	-
Total		15,242,042	3,800,710
EXPENSES:			
Opening Stock		-	1,525,650
Purchase		13,854,012	1,485,000
Freight		-	-
Payment to Personnel	I	269,798	360,000
Administrative, Selling & Other Expenses	J	818,387	199,949
Depreciation		187,124	184,622
Total		15,129,321	3,755,221
Profit for the year		112,721	45,489
Provision for Taxation		150,000	-
Profit after Tax		(37,279)	45,489
Balance Brought forward From Previous Year		2,169,797	2,124,308
Less Exceptional Items		127,630	
Balance carried to Balance Sheet		2,004,888	2,169,797

Notes to the Accounts

K

As per our Report of Even Date
For Joshi Jain & Co
Chartered Accountants
ICAI Registration No 128820W

For Sun Source India Limited

sd/-
Sanchin Joshi
Partner
 Membership No. 119560
 Vadodara
 Place Vadodara
 Date : 30th May 2011

sd/- sd/-
Ashok Gajjar **Priti Amin**
Director **Director**

Place Vadodara
 Date : 30th May 2011

SUN SOURCE (INDIA) LIMITED

Schedule to the Balance Sheet as at 31st March, 2011

Particulars	As at 31.03.2011 Rupees	As at 31.03.2010 Rupees
SCHEDULE: A - SHARE CAPITAL		
a) Authorised : 15000000 Equity Shares of Rs. 10/- each	150,000,000	150,000,000
b) Issued Share Capital: 14400000 (PY 14400000) Equity Shares of Rs.10/- each	144,000,000	144,000,000
	144,000,000	144,000,000
c) Subscribe and Paid-up: 14391461 (PY 14391461) Equity Shares of Rs.10/- each Less: Calls in arrears	143,914,610	143,914,610
	29,358,060	29,358,060
Total	114,556,550	114,556,550
SCHEDULE: B - RESERVES & SURPLUS		
a) Share Premium Less: Calls in arrears	47,957,305	47,957,305
	14,566,373	14,566,373
b) General Reserve	33,390,932	33,390,932
	105,887	105,887
c) Balance in Profit & Loss Account	2,004,888	2,169,797
Total	35,501,707	35,666,616
SCHEDULE : C UNSECURED LOAN		
a) From Directors and their Relatives	-	-
b) From Others	4,139,879	-
Total	4,139,879	-
SCHEDULE : E - INVESTMENTS		
Investment - Long Term		
N.S.C. (with sales tax department)	35,000	
Investment in Subsidiary Company	3,000	3,000
9392 unquoted Shares of Rs.100/- each of Sun Source Wind Parks Dev. Ltd.	939,200	939,200
70 unquoted Shares of Rs. 10/- each of Sun Source Energy Estate Ltd.	700	700
Total	977,900	942,900

SUN SOURCE (INDIA) LIMITED
PROFIT & LOSS Account for the year ended 31st March, 2011

Particulars	Schedule	2010 - 11 Rupees	2009-10 Rupees
INCOME:			
Sales	H	13,962,175	3,800,710
Other Income		1,279,867	-
Total		15,242,042	3,800,710
EXPENSES:			
Opening Stock		-	1,525,650
Purchase		13,854,012	1,485,000
Freight		-	-
Payment to Personnel	I	269,798	360,000
Administrative, Selling & Other Expenses	J	818,387	199,949
Depreciation		187,124	184,622
Total		15,129,321	3,755,221
Profit for the year		112,721	45,489
Provision for Taxation		150,000	-
Profit after Tax		(37,279)	45,489
Balance Brought forward From Previous Year		2,169,797	2,124,308
Less Exceptional Items		127,630	
Balance carried to Balance Sheet		2,004,888	2,169,797

Notes to the Accounts

K

As per our Report of Even Date
For Joshi Jain & Co
Chartered Accountants
ICAI Registration No 128820W

For Sun Source India Limited

Sanchin Joshi
Partner
 Membership No. 119560
 Vadodara
 Place Vadodara
 Date : 30th May 2011

Director Director

Place Vadodara
 Date : 30th May 2011

SUN SOURCE (INDIA) LIMITED

Schedule to the Balance Sheet as at 31st March, 2011

Particulars	As at 31.03.2011 Rupees	As at 31.03.2010 Rupees
SCHEDULE: A - SHARE CAPITAL		
a) Authorised : 15000000 Equity Shares of Rs. 10/- each	150,000,000	150,000,000
b) Issued Share Capital: 14400000 (PY 14400000) Equity Shares of Rs.10/- each	144,000,000	144,000,000
	144,000,000	144,000,000
c) Subscribe and Paid-up: 14391461 (PY 14391461) Equity Shares of Rs.10/- each Less: Calls in arrears	143,914,610	143,914,610
	29,358,060	29,358,060
Total	114,556,550	114,556,550
SCHEDULE: B - RESERVES & SURPLUS		
a) Share Premium Less: Calls in arrears	47,957,305	47,957,305
	14,566,373	14,566,373
b) General Reserve	33,390,932 105,887	33,390,932 105,887
c) Balance in Profit & Loss Account	2,004,888	2,169,797
Total	35,501,707	35,666,616
SCHEDULE : C UNSECURED LOAN		
a) From Directors and their Relatives	-	-
b) From Others	4,139,879	-
Total	4,139,879	-
SCHEDULE : E - INVESTMENTS		
Investment - Long Term N.S.C. (with sales tax department)	35,000	
Investment in Subsidiary Company 9392 unquoted Shares of Rs.100/- each of Sun Source Wind Parks Dev. Ltd.	3,000 939,200	3,000 939,200
70 unquoted Shares of Rs. 10/- each of Sun Source Energy Estate Ltd.	700	700
Total	977,900	942,900

SUN SOURCE (INDIA) LIMITED
SCHEDULE: D - FIXED ASSETS

Sr. No	PARTICULARS	Gross Block			Depreciation			Net Block		
		Balance as on 01.04.2010	Addition during year	Adjustment during year	Balance as on 31.03.2011	Op. Balance as on 01.04.2010	Addition during year	Adjustment during year	Balance as on 31.03.2011	Balance as on 31.03.2010
1	Land & Land Development	11,350,645	-	-	11,350,645	-	-	-	11,350,645	11,350,645
2	Lease Hold Land	2,904,000	-	-	2,904,000	18,166	159,889	-	2,725,945	2,885,834
3	Plant & Machines Under Installation	16,583,971	-	-	16,583,971	-	-	-	16,583,971	16,583,971
4	Furniture & Fixtures	634,567	-	-	634,567	487,703	26,582	-	120,282	146,864
5	Office Equipments	51,300	-	-	51,300	45,579	796	-	4,925	5,721
6	Build Under Construction	22,647,862	-	-	22,647,862	-	-	-	22,647,862	22,647,862
7	Vehicles	1,387,394	-	-	1,387,394	1,295,564	23,775	-	68,055	91,830
8	Solar System	1,038,825	-	-	1,038,825	379,637	91,693	-	471,330	659,188
9	Office Preimises	437,500	-	-	437,500	197,120	12,019	-	209,139	240,380
	Total	57,036,064	-	-	57,036,064	2,423,769	314,754	-	2,738,523	54,297,541
										54,612,295

SUN SOURCE (INDIA) LIMITED

Schedule to the Balance Sheet as at 31st March, 2011

Particulars	As at 31.03.2011 Rupees	As at 31.03.2010 Rupees
SCHEDULE : F - CURRENT ASSETS, LOANS & ADVANCES		
a) Inventories : (As taken, valued and certified by one of the Directors of the Company)	-	-
b) Sundry Debtors : (Unsecured Considered Goods) For a period exceeding six months includes outstanding of Rs.16.23 Lacs from Subsidiaries (PY Rs.16.23 Lacs) Others	1,866,300 5,449,500	1,863,800 -
c) Cash & Bank Balances : Balance in Current Accounts with Schedule Banks Cash on Hand	505,510 1,624,466	84,510 720,416
d) Loans & Advances : (Unsecured Considered Goods) Advances recoverable in cash or kind or valued to be received Income Tax VAT Receivable	47,776,877 267,128 19,592	47,918,659 - -
e) Deposits with Government and others	12,765,601	10,008,101
Total	70,274,974	60,595,486
SCHEDULE : G - CURRENT LIABILITIES		
a) Sundry Creditors : For Materials	5,610,010	-
b) Other Liabilities Share Application Money Refund Unsecured Loans	5,610,010 1,476,851	- 1,476,851 -
	1,476,851	1,476,851
c) Provisions : Provision for Tax Provision for Expenses TDS Payable on Professional Consultancy Professional Tax	150,000 262,727 14,707 400	- 613,080 -
Total	427,834	613,080

SUN SOURCE (INDIA) LIMITED

Schedule to Profit & Loss Account for the year ended 31st March, 2011

Particulars	As at 31.03.2011 Rupees	As at 31.03.2010 Rupees
SCHEDULE : H - OTHER INCOME		
Comission Income	733,467	-
Consulting Income	166,150	
Scrap Sale Income	380,250	
Total	1,279,867	-
SCHEDULE : I - PAYMENT TO PERSONNEL		
Salary	266,048	360,000
Ex-Gratia	3,750	
Total	269,798	360,000
SCHEDULE : J - ADMINISTRATIVE & OTHER EXPENSES		
Office Expenses	1,007	-
Auditor's Remuneration	20,000	10,000
Bank Charges	12,991	
Conveyance	100	-
Courier Charges	13,992	-
Legal Fees	127,136	-
Listing Fees	73,031	143,195
N S D L Fees	33,090	
Printing & Stationary	4,718	
Professional fees	97,071	46,754
Professional Tax	2,000	
SEBI Pealty	350,000	
Service Tax	3,090	
Telephone Expense	101	
Travelling	80,060	
Total	818,387	199,949

SUN SOURCE (INDIA) LIMITED

SCHEDULE : K - Significant Accounting Policies and Notes on Accounts forming part of Accounts as on 31st March 2011

A SIGNIFICANT ACCOUNTING POLICIES :

1. The accounts are prepared on accrual Basis on historical cost convention, except otherwise stated. The Basis of accounts is a 'Going Concern' Concept.
2. Revenue Recognition:
 - (a) Sales are recognized on actual delivery & billing.
 - (b) Income from interest is recognized on accrual basis.
3. Preliminary Expenses: In view of no commercial operations, preliminary & Public issue expenses are not written off.
4. Stock - In - Trade: Raw Material & finished goods is valued at lower of cost or net realisable value.
5. Investments: All investments are considered Long Term & no permanent diminution in their values is Hence, they are valued at cost of Acquisition.
6. Contigent Liabilities:
 - (a) Gujarat Electricity Board has filed a suit against the company for recovery of electricity dues, penalty etc, for approx. Rs.3 lacs for which no provision is made. The company expects that the same shall be scrapped demand is unreasonable. No provision is made for the same.

B OTHER NOTES :

1. Previous Year's figures have been regrouped wherever necessary.
2. The figures have been round off to nearest rupee.
3. Stock - in - Trade & finished goods are lying in the premises. Physical verification of the same could not be In absence of Technical Personnel, its' present value could not be determined & hence, they are valued at cost Some part of stock is sold during the year. The remaining stock is valued on the Basis of proportionate
4. RSEB has invoked Bank guarantee of Rs. 75 lacs given by Vijaya Bank, against Fixed Deposit placed by the Company. RSEB has received Rs. 75 lacs from Vijaya Bank & Rs. 25 lacs, which were lying with RSEB as Deposit is also confiscated. However, on request from the Company, RSEB has kept Rs. 1 crore as interest free deposit for future work that would be given to the company, Hence Rs. 1 crore is shown as Advance to RSEB.
5. Payment to Auditors:

	Current Year Rs.	Previous Year Rs.
Audit Fees	20,000/-	10,000/-
6. The balance in respect of sundry debtors, loans and advances, deposites, bank balances and other accounts, either debit or credit, as appearing in the books of accounts are subject to confirmations from the respective parties as well as the reconcillation/adjustments, if any, arising there from.

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