

**KHANNA & ANNADHANAM
CHARTERED ACCOUNTANTS**

INDEPENDENT AUDITOR'S REPORT

Report on the Financial Statements

We have audited the accompanying financial statements of **The Energy and Resources Institute** ("the Institute"), which comprise the Balance Sheet as at March 31, 2016, and the Statement of Income and Expenditure for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Management is responsible for the preparation and presentation of these financial statements that give a true and fair view of the financial position, financial performance of the Institute in accordance with the accounting principles generally accepted in India, including the Accounting Standards. This responsibility also includes maintenance of adequate accounting records for safeguarding the assets of the institute and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and the design, implementation and maintenance of 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 gives 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 conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Institute'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 institute has in place an adequate internal financial control system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the management, as well as evaluating the overall presentation of the financial statements.

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



Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements read with the Accounting Policies and Notes attached thereto or appearing thereon, give a true and fair view in conformity with the accounting principles generally accepted in India:

- a) in the case of the Balance Sheet, of the state of affairs of the Institute as at March 31, 2016;
- b) in the case of the Statement of Income and Expenditure, of the surplus for the year ended as on that date; and

Emphasis of Matter

Without qualifying, we draw attention to the following:

- a) Significant accounting policy 1(a) regarding cash basis of accounting adopted generally except accounting for certain assets, liabilities and depreciation on fixed assets, which are accounted for on accrual basis.
- b) Note No. 2(e), regarding foreclosure of the joint collaboration agreement entered into between TERI and BP Energy India Pvt. Ltd. during 2010-2011;

Report on Other Legal and Regulatory Requirements

- 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 Institute so far as appears from our examination of those books
- c) the Balance Sheet and the Statement of Income and Expenditure dealt with by this Report are in agreement with the books of account.
- d) in our opinion, the Balance Sheet and the Statement of Income and Expenditure, *with the exception of cash basis of accounting adopted for projects undertaken by the institute and the recognition of the results thereof upon conclusion of project and read with accounting policies and notes attached thereto or appearing thereon*, comply with the Accounting Standards prescribed by the ICAI.

Place: New Delhi

Date : 19.8.16



For Khanna & Annadhanam

Chartered Accountants
(Regn. No. 001297N)

K.A. Balasubramanian
K.A. Balasubramanian
(Partner)

M. No.: 017415