

INFREIGHT LOGISTICS SOLUTIONS LIMITED

11th Annual Report 2010-11



Board of Directors

T. T. Srinivasaraghavan	Chairman
Rahul Lalbhai Mehta	Managing Director
Srinivas Acharya	
Rina Rahul Mehta	
Mohan Krishnan	

Audit Committee

T. T. Srinivasaraghavan	Chairman
Rahul Lalbhai Mehta	
Srinivas Acharya	

Chief Financial Officer

S. Sivakumar

Secretary

P.N. Srikant

Bankers

HDFC Bank Ltd.
Canara Bank
State Bank of India

Auditors

M/s. Dharmendra & Co., Mumbai
Chartered Accountants

Registered Office

21, Patullos Road,
Chennai 600 002

Contents

Director's Report	3
Auditor's Report	5
Balance Sheet	8
Profit and Loss Account	9
Schedules	10
Balance Sheet Abstract and Company's General Business Profile	23
Cash Flow Statement	25
Annual Report of the Subsidiary	
– Sundaram Parekh Warehousing Services Limited	26

Directors' Report

Your Directors have pleasure in presenting the Eleventh Annual Report and Audited Accounts of the Company for the year ended 31st March, 2011.

The summarised financial results of the Company are given hereunder:

(₹ in lakhs)

Particulars	Year ended 31.03.2011	Year ended 31.03.2010
Total Income	1916.37	1725.98
Total Expenditure	2043.68	1933.82
Loss before Tax	(127.31)	(207.84)
Prior Period Adjustments	—	1.32
Taxation	—	—
Loss after Tax	(127.31)	(206.52)

REVIEW OF OPERATIONS

During the year your Company continued with efforts to refocus its business operations to further increase the productivity and reduce operating loss and as can be seen from the above results the efforts yielded satisfactory results.

In March 2011, your Company entered into an agreement with M/s TVS Logistics Services Limited for transitioning select transportation clients together with staff and related infrastructure for a consideration of ₹ 4.75 cr.

The proceeds will be deployed for reducing the borrowings which would reduce the interest burden and strengthen the financials of your Company.

During June 2010, your Company entered into a Joint Venture with M/s Parekh Integrated Services Private Limited, a leading 3PL providers, with a view to focus on building up warehousing business

and incorporated a new company by name Sundaram Parekh Warehousing Services Limited. Your Company has invested a sum of ₹ 5,10,000/- representing 51% in the subsidiary and the balance 49% is held by M/s Parekh Integrated Services Private Limited. This subsidiary is expected to become operational during 2011-12 and would add value to your Company.

SHARE CAPITAL

In August 2010, the Holding Company, Sundaram Finance Limited transferred its entire holdings in your Company to its wholly owned subsidiary, Sundaram Finance Distribution Limited (SFDL) and consequently your Company became a subsidiary of SFDL.

During the year, your company increased its paid-up capital from ₹ 5.01 cr to ₹ 5.61 cr.

DIRECTOR

Sri Srinivas Acharya, Director, retires by rotation and, being eligible, offers himself for re-election. Necessary resolution is submitted for your approval.

DIRECTORS' RESPONSIBILITY STATEMENT

Your directors confirm that:

- (i) in the preparation of the annual accounts, the applicable accounting standards have been followed;
- (ii) they have selected such accounting policies and applied them consistently and made judgments and estimates that are 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 that period;
- (iii) they 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; and

- (iv) they have prepared the annual accounts on a going-concern basis.

INFORMATION AS PER SECTION 217(1)(e) OF THE COMPANIES ACT, 1956

Your Company has no activity relating to conservation of energy or technology absorption. Your Company did not have any foreign exchange earnings or outgo during the year.

PERSONNEL

None of the employees of the Company is in receipt of remuneration in excess of limits prescribed under Section 217(2A) of the Companies Act, 1956.

DEPOSITS

Your Company has not accepted any public deposit during the period under review.

AUDITORS

M/s Dharmendra & Co, Chartered Accountants, Mumbai, retire and are eligible for reappointment. A certificate under Section 224(1B) of the Companies Act, 1956 has been received from them.

SUBSIDIARIES

The annual report of Sundaram Parekh Warehousing Services Limited is enclosed.

ACKNOWLEDGEMENT

Your Directors thank the holding company, Sundaram Finance Distribution Limited for its support.

For and on behalf of the Board

T. T. Srinivasaraghavan

Chairman

Chennai 600 002

Date: 5th May 2011

Auditors' Report

To the Members of M/s. Infreight Logistics Solutions Limited

- 1 We have audited the attached Balance Sheet of INFREIGHT LOGISTICS SOLUTIONS LIMITED as at 31 March 2011 and also the Profit and Loss Account and the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the management of the Company. Our responsibility is to express an opinion on these financial statements based on our audit.
 - 2 We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on 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 management as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
 - 3 As required by the Companies (Auditor's report) Order, 2003, (as amended by Companies (Auditor's report) Order, 2004 (together "the order") issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, we enclose in the Annexure a statement of the matters specified in the paragraphs 4 and 5 of the said Order.
 - 4 Further to our comments in the Annexure referred to above, we report that
 - (i) We have obtained all the information and explanations, which to the best of our knowledge and belief are necessary for the purpose of our audit;
 - (ii) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from the examination of the books;
 - (iii) The Balance Sheet and Profit and loss Account and Cash Flow Statement dealt with by this report are in the agreement with the books of accounts of the Company;
- (iv) In our opinion, the Balance Sheet and Profit and Loss Account and the Cash Flow statement dealt with by this report comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956;
 - (v) On the basis of written representations received from the directors, as on 31 March 2011 and taken on the record by the Board of Directors, we report that no director is disqualified as on 31 March 2011 from being appointed as a director of the Company in the terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956; and
 - (vi) In our opinion and to the best of our information and according to the explanations given to us, the said accounts subject to the notes thereon give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in the 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 31 march 2011;
 - ii. in the case of Profit and Loss Account, of the loss for the year ended on that date; and
 - iii. in case of the Cash Flow Statement, of the cash flows for the year ended on that date.

For **DHARMENDRA & CO.**
Firm Registration No.112827W
Chartered Accountants
Dharmendra C. Shah
Proprietor
M.No. 40234

Place: Chennai
Date: 5th May, 2011

Annexure referred to in Paragraph 3 of our Report of even date

- | | |
|---|---|
| <p>I) (a) The Company has maintained proper records showing full particulars including quantitative detail and situation of fixed assets.</p> <p>(b) As explained to us all the assets have been physically verified by the management at reasonable intervals and no discrepancy was noticed on such verification.</p> <p>(c) As explained to us no substantial part of the fixed assets have been sold during the year.</p> | <p>IV) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchase of inventory, services and fixed assets and for the sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal control system.</p> |
| <p>II) (a) Physical verification at reasonable intervals in respect of inventories followed by the management is reasonable and adequate in relation to the size of the Company and the nature of its business.</p> <p>(b) In our opinion the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.</p> <p>(c) According to the information & explanations given to us, the Company has written off Finished Goods Stock in Hand during the year as same being obsolete and zero scrap value.</p> | <p>V) According to information & explanations given to us, there are no transactions made in pursuance of contracts or arrangements that need to be entered in to the register maintained under section 301 of the Companies Act, 1956.</p> <p>VI) In our opinion and according to the information and explanations given to us, the Company has not accepted deposits from the public within the meaning of sections 58A and 58AA or any other relevant provisions of the Companies Act, 1956 and the rules framed there under.</p> |
| <p>III) (a) The Company has not granted any loan, secured or unsecured, to Companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. Accordingly, clauses (iii) (b) to (iii) (d) of paragraph 4 of the said Order are not applicable to the Company for the current year</p> <p>(b) The Company has not taken any loan, secured or unsecured from Companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. Accordingly, clauses (iii) (e) to (iii) (g) of paragraph 4 of the said Order are not applicable to the Company for the current year</p> | <p>VII) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.</p> <p>VIII) According to the information and explanations given to us, the Central Government has not prescribed maintenance of cost records under clause (d) of sub-section (1) of Section 209 of the Companies Act, 1956.</p> <p>IX) (a) According to the information and explanations given to us, the Company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, income tax, sales tax, service tax, and other material statutory dues applicable to it.</p> <p>(b) According to the information and explanations given to us, no undisputed amounts payable in respect of income tax, sales tax and service tax were in arrears,</p> |

- as at March 31, 2011 for a period of more than six months from the date they became payable.
- (c) According to the information and explanations given to us, there are no dues of income tax, sales tax and service tax, which have not been deposited on account of any dispute.
- (X) (a) The Company has accumulated loss of ₹ 12,27,34,225/- at the end of the financial year 2010 -2011 and the same is more than fifty per cent of its net worth as on 31st March,2011.
- (b) The Company has incurred cash loss during the year and also in the immediately preceding financial year.
- (XI) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to a financial institution or bank.
- (XII) In our opinion and according to the information and explanations given to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other Securities.
- (XIII) The provisions of any special statute applicable to chit fund/ nidhi/mutual fund benefit/societies are not applicable to the Company.
- (XIV) In our opinion, the Company is not a dealer or trader in shares, securities, debentures and other investments.
- (XV) The Company has not given any guarantee for loans taken by others from bank or financial institutions. Therefore, the provisions of clause 4(XV) of the Companies (Auditor's Report) Order, 2004 are not applicable to the Company.
- (XVI) In our opinion and according to the information and explanations given to us, the term loans have been applied for the purposes for which they have been obtained.
- (XVII) On the basis of an overall examination of the balance sheet of the Company, in our opinion and according to the information and explanations given to us, there are no funds raised on a short-term basis, which have been used for long-term investment.
- (XVIII) During the year The Company has issued 6,01,200 equity shares @ ₹ 10/- each on right basis to the persons covered in the Register maintained u/s.301 of Companies Act,1956.
- In our opinion and according to information and explanations given to us, as the accumulated loss exceeds 50% of net worth of Company, the price of rights issue at Face Value of ₹ 10/- is not prejudicial to the interest of the Company.
- (XIX) The Company has not issued any debentures during the year.
- (XX) The Company has not raised any money by public issue during the year.
- (XXI) To the best of our knowledge and belief and according to the information and explanations given to us, except details given in the Note No.14 of Schedule 21, Notes to Accounts no material fraud on or by the Company has been noticed or reported during the course of our audit.

For **DHARMENDRA & CO.**
Firm Registration No.112827W
Chartered Accountants
Dharmendra C. Shah
Proprietor
M.No. 40234

Place: Chennai
Date: 5th May, 2011

Balance Sheet

as at 31st March, 2011

		31.03.2011		31.03.2010	
	Schedule	₹		₹	
I SOURCES OF FUNDS					
1. Shareholders' Funds	1				
a. Capital		5,61,12,000.00		5,01,00,000.00	
b. Reserves and Surplus		–	5,61,12,000.00	–	5,01,00,000.00
2. Loan Funds					
a. Secured Loans	2	3,04,68,338.14		2,88,45,076.66	
b. Unsecured Loans	3	9,40,00,000.00	12,44,68,338.14	11,13,07,944.00	14,01,53,020.66
Total		18,05,80,338.14		19,02,53,020.66	
II APPLICATION OF FUNDS					
1. Fixed Assets	4				
a. Gross Block		65,40,824.82		73,57,753.82	
b. Less Depreciation		(47,66,481.82)		(45,15,898.82)	
c. Net Block			17,74,343.00		28,41,855.00
2. Investments	5		5,10,000.00		–
3. Current Assets, Loans And Advances					
a. Inventories	6	–		13,14,000.00	
b. Sundry Debtors	7	5,96,94,805.84		7,09,93,492.68	
c. Cash and Bank Balances	8	27,66,511.11		22,03,615.26	
d. Other Current Assets & Loans & Advances	9	70,63,805.92		1,93,25,568.39	
		6,95,25,122.87		9,38,36,676.33	
4. Current Liabilities And Provisions					
a) Current Liabilities	10	1,39,63,352.53		1,56,15,394.61	
b) Provisions	11	–		8,25,000.00	
		1,39,63,352.53		1,64,40,394.61	
Net Current Assets			5,55,61,770.34		7,73,96,281.72
5. Miscellaneous Expenditure	12		–		11,913.00
(To the extent not written off or adjusted)					
6. Profit And Loss Account					
Opening Balance		11,00,02,970.94		8,93,51,408.57	
Current Year		1,27,31,253.86	12,27,34,224.80	2,06,51,562.37	11,00,02,970.94
Total		18,05,80,338.14		19,02,53,020.66	
Notes to the Accounts	21				

As per our report of even date Attached
For **Dharmendra & Co.**
Firm Registration No: 112827W
Chartered Accountants
Dharmendra C. Shah
Proprietor
M.No. 40234

for and on behalf of the board

T. T. Srinivasaraghavan
Chairman

Rahul L. Mehta
Managing Director

Srinivas Acharya
Director

P. N. Srikant
Secretary

Chennai
5th May, 2011

INFREIGHT LOGISTICS SOLUTIONS LIMITED

Profit and Loss Account

for the year ended 31st March 2011

	Schedule	2010-11			2009-10	
		₹			₹	
INCOME						
Sales & Services	13	19,02,13,629.45			17,10,90,927.86	
Other Income	14	14,23,397.40	19,16,37,026.85		15,07,515.67	17,25,98,443.53
EXPENDITURE						
Cost of Goods Sold	15	13,14,000.00			-	
Cost of Services	16	16,20,56,226.76			14,94,94,596.36	
Employment Expenses	17	1,23,88,894.00			1,22,24,368.00	
Administrative & Other Expenses	18	1,50,14,230.92			1,26,14,070.09	
Provisions and Write Off	19	5,25,334.00			49,89,275.01	
Financial Expenses	20	1,22,95,642.03			1,27,98,650.24	
Depreciation		7,73,953.00	20,43,68,280.71		12,61,165.00	19,33,82,124.70
Loss for the year before Tax			(1,27,31,253.86)			(2,07,83,681.17)
Prior Period Adjustments			-			1,32,118.80
			(1,27,31,253.86)			(2,06,51,562.37)
Provision For Income Tax						
– Current			-			-
– Deferred			-			-
Loss for the year after Tax			(1,27,31,253.86)			(2,06,51,562.37)
Balance Brought Forward			(11,00,02,970.94)			(8,93,51,408.57)
Balance Carried to Balance Sheet			(12,27,34,224.80)			(11,00,02,970.94)
Earning per Share for the Year (Basic & Diluted)			(2.42)			(4.12)
Notes to the Accounts	21					

As per our report of even date Attached
 For **Dharmendra & Co.**
 Firm Registration No: 112827W
 Chartered Accountants
Dhamendra C. Shah
 Proprietor
 M.No. 40234

Chennai
 5th May, 2011

for and on behalf of the board

T. T. Srinivasaraghavan
 Chairman

Rahul L. Mehta
 Managing Director

Srinivas Acharya
 Director

P. N. Srikant
 Secretary

SCHEDULES

(in ₹)

	31.03.2011	31.03.2010
1 Share Capital		
Authorised Capital		
1,00,00,000 Equity Shares of ₹ 10/- each (Previous Year 1,00,00,000 Shares)	<u>10,00,00,000.00</u>	<u>10,00,00,000.00</u>
Issued,Subscribed and Paid Up		
Opening Balance		
50,10,000 Equity Shares of ₹ 10/- each	5,01,00,000.00	5,01,00,000.00
Add: Rights Issue During the Year of 6,01,200 Shares of ₹ 10/- Each	60,12,000.00	—
Per Balance Sheet	<u>5,61,12,000.00</u>	<u>5,01,00,000.00</u>
2. Secured Loans		
Canara Bank Chennai *	3,04,68,338.14	2,87,32,479.66
Hire Purchase Car Loan from SFL	—	1,12,597.00
Per Balance Sheet	<u>3,04,68,338.14</u>	<u>2,88,45,076.66</u>
(* Secured on Book Debts)		
3. Unsecured Loans		
Loan from Director	—	50,00,000.00
Loan from Holding Companies	8,40,00,000.00	9,60,86,027.00
Loan from Company	1,00,00,000.00	1,02,21,917.00
Per Balance Sheet	<u>9,40,00,000.00</u>	<u>11,13,07,944.00</u>

SCHEDULES
4. Fixed Assets

(in ₹)

Description	GROSS BLOCK			DEPRECIATION			NET BLOCK		
	As at 31.03.2010	Additions	Deductions	As at 31.03.2011	As at 31.03.2010	Additions	Deductions	As at 31.03.2011	As at 31.03.2010
Furnitures & Fixtures	12,55,524.00	-	(26,192.00)	12,29,332.00	5,27,953.00	1,30,692.00	(11,696.00)	6,46,949.00	5,82,383.00
Computers	43,78,606.82	40,953.00	-	44,19,559.82	31,44,404.82	5,04,811.00	-	36,49,215.82	7,70,344.00
Air Conditioners	4,03,079.00	-	-	4,03,079.00	1,40,074.00	36,584.00	-	1,76,658.00	2,26,421.00
Office Equipment	3,25,470.00	-	-	3,25,470.00	98,736.00	31,539.00	-	1,30,275.00	1,95,195.00
Motor Car	8,28,780.00	-	(8,28,780.00)	-	4,38,437.00	70,327.00	(5,08,764.00)	-	3,90,343.00
Assets Less Than ₹ 5000/-	1,66,294.00	-	(2,910.00)	1,63,384.00	1,66,294.00	-	(2,910.00)	1,63,384.00	-
Total as at 31.03.2011	73,57,753.82	40,953.00	(8,57,882.00)	65,40,824.82	45,15,898.82	7,73,953.00	(5,23,370.00)	47,66,481.82	17,74,343.00
Total as at 31.03.2010	80,22,973.82	61,200.00	(726,420.00)	73,57,753.82	35,32,880.87	12,61,165.00	(278,147.05)	45,15,898.82	28,41,855.00

(in ₹)

SCHEDULES**5. Investments**

Sundaram Parekh Warehousing Services Limited

5,10,000.00

31.03.2010

—

Per Balance Sheet**5,10,000.00****—****6. Inventories**

(As taken valued and certified by a Director)

Raw Materials

—

—

Finished Goods

—

13,14,000.00

Per Balance Sheet**—****13,14,000.00****7. Sundry Debtors**

(Unsecured, considered good)

For More than Six Months

2,11,73,987.84

1,71,17,394.92

Others

3,85,20,818.00

5,38,76,097.76

Per Balance Sheet**5,96,94,805.84****7,09,93,492.68****8. Cash And Bank Balances**

Cash on Hand

1,03,796.50

4,65,750.56

Bank Balance with Scheduled Banks

Current Accounts

26,49,242.76

15,99,392.85

Margin/FD Accounts

13,471.85

1,38,471.85

Per Balance Sheet**27,66,511.11****22,03,615.26****9. Other Current Assets & Loans & Advances**

(Unsecured, considered good)

Income Tax - (TDS on Income)

34,29,495.34

1,42,77,528.81

Fringe Benefit Tax Paid

51,000.00

10,11,606.00

Advance recoverable in cash or
kind or for value to be received

28,00,060.58

28,08,266.58

Staff Advances

22,500.00

60,267.00

Deposits With Customer / Given for Premises / Others

7,60,750.00

11,67,900.00

Per Balance Sheet**70,63,805.92****1,93,25,568.39**

SCHEDULES	(in ₹)	
	31.03.2011	31.03.2010
10. Current Liabilities		
Sundry Creditors For Transport & Warehouse Charges	84,91,268.00	1,20,95,971.88
Sundry Creditors For Expenses	35,45,960.00	13,86,580.18
Statutory Liabilities	19,08,088.53	17,25,871.55
Advances Received From Customers	18,036.00	4,06,971.00
Per Balance Sheet	<u>1,39,63,352.53</u>	<u>1,56,15,394.61</u>
11. Provisions		
Non -Performing Assets	-	-
For Fringe Benefit Tax	-	8,25,000.00
Per Balance Sheet	<u>-</u>	<u>8,25,000.00</u>
12. Miscellaneous Expenditure		
(To the extent not written off or adjusted)		
Preliminary Expenses	11,913.00	14,294.00
Less : Written off during the year	11,913.00	2,381.00
Per Balance Sheet	<u>-</u>	<u>11,913.00</u>
	2010 - 11	2009-10
13. Sales & Services		
Sales		
Sales of Products (Net of Returns)	-	-
Services		
Transportation Charges Recd.	15,19,45,174.00	14,46,77,603.49
Software Development Charges & Consultancy	2,69,833.00	5,30,000.00
Software Maintenance Charges	1,75,000.00	1,21,842.70
Business Support Services	4,50,554.80	75,28,174.00
Freight & Forwarding Charges Recd.	34,46,160.00	-
Warehouse Management Fees	3,39,26,907.65	1,82,33,307.67
Per Profit and loss Account	<u>19,02,13,629.45</u>	<u>17,10,90,927.86</u>
14. Other Income		
Interest on Income Tax Refund	13,82,205.52	-
Miscellaneous Income	-	70,004.00
Deposit/Advances/Creditors W/Back	41,191.88	14,37,511.67
Per Profit and loss Account	<u>14,23,397.40</u>	<u>15,07,515.67</u>

(in ₹)

SCHEDULES**15. Cost of Goods Sold****Consumption of Raw Materials**

Opening Stock

—

—

Purchases

—

—

Closing Stock

—

—

Utilisation of Finished Goods

Opening Stock

13,14,000.00

13,14,000.00

Purchases (Net of Returns)

—

—

Closing Stock

— 13,14,000.00

(13,14,000.00)

—

Per Profit and loss Account**13,14,000.00****—****16. Cost Of Services**

Transportation Charges

13,50,66,370.00

12,62,48,076.20

Service Charges (Warehousing)

2,21,29,680.27

1,33,01,009.26

Software Charges

20,000.00

—

Software Maintenance Charges

—

3,21,709.00

Loading / Unloading / Halting / Detention /
Toll / Other Charges

5,55,024.60

9,46,361.45

Business Support Service Charges

74,820.00

—

Freight & Forwarding Charges

22,29,168.00

—

Rate Difference / Discount / Damages

19,81,163.89 16,20,56,226.76

86,77,440.45

14,94,94,596.36

Per Profit and loss Account**16,20,56,226.76****14,94,94,596.36****17. Employment Expenses**

Salary and Allowances

1,03,27,719.00

1,03,75,070.00

Bonus

4,14,777.00

3,18,076.00

Contribution to PF

5,63,899.00

5,37,145.00

Contribution to ESIC

1,70,921.00

—

Contribution to Grauity Fund

18,319.00

75,734.00

Labour Welfare Fund

938.00

832.00

Medical Reimbursement

2,87,654.00

3,24,169.00

Leave Travel Allowance

2,54,272.00

2,54,581.00

Staff Welfare

3,50,395.00 1,23,88,894.00

3,38,761.00

1,22,24,368.00

Per Profit and loss Account**1,23,88,894.00****1,22,24,368.00**

SCHEDULES

(in ₹)

18. Administration & Others Expenses

	2010 - 11	2009-10
Rent	10,76,536.00	8,45,214.00
Insurance	31,724.00	36,739.00
Electricity Expenses	4,30,975.00	4,48,423.00
Telephone Expenses	11,38,586.56	11,82,010.34
Printing & Stationery	2,37,259.61	2,75,653.20
Local Travelling	9,45,432.50	11,49,674.00
Professional Fees & Legal Charges	8,71,968.00	3,96,503.00
Outsourcing Cost	82,98,887.00	57,86,437.00
Advertisement	5,100.00	66,200.00
Recruitment & Training Expenses	3,000.00	38,010.00
Office Expenses	1,09,052.00	1,71,070.00
Auditors Remuneration	1,21,330.00	1,10,300.00
Repairs & Maintenance		
- Furniture	1,750.00	3,065.00
- Machinery (Equipments/Computers)	84,635.00	29,619.00
- Car	1,69,696.00	2,56,855.00
- Others	92,109.00	87,443.00
Conveyance	7,52,158.50	7,15,659.00
Commission & Brokerage	2,96,124.00	3,63,774.00
Miscellaneous Expenses	1,28,605.00	3,81,276.00
Post and Courier Expenses	1,03,369.00	1,19,466.00
Web Hosting/Internet Charges	79,495.75	71,051.55
Sales Promotion Expenses	24,525.00	77,247.00
Preliminary Expenses	11,913.00	2,381.00
Per Profit and loss Account	<u>1,50,14,230.92</u>	<u>1,26,14,070.09</u>

19. Provisions & Write Off

Bad Debts	4,39,710.00	48,86,151.85
Loss on Sale of Assets	85,624.00	1,03,123.16
Per Profit and loss Account	<u>5,25,334.00</u>	<u>49,89,275.01</u>

20. Financial Expenses

Bank Charges	1,76,172.31	3,44,712.68
Interest on Loans (Net)	1,21,19,469.72	1,24,53,937.56
Per Profit and loss Account	<u>1,22,95,642.03</u>	<u>1,27,98,650.24</u>

SCHEDULES

21. NOTES TO THE ACCOUNTS

1. SIGNIFICANT ACCOUNTING POLICIES:

1.1. Accounting Concepts:

The Company follows mercantile system of accounting and recognises income and expenditure on accrual basis. The accounts are prepared on historical cost basis as a going concern. Accounting policies not referred to otherwise are consistent with generally accepted accounting principles.

1.2. Fixed Assets:

Fixed Assets are recorded at cost of acquisition inclusive of freight, duties, taxes and incidental expenses related to acquisition.

1.3. Depreciation:

Depreciation is being charged on the Fixed Assets on the written down value method at rates prescribed in Schedule XIV to the Companies Act, 1956. Assets costing ₹ 5000 or less acquired during the year are fully depreciated.

1.4. Impairment of Fixed Assets:

The Carrying Amount of assets are reviewed at each Balance Sheet date to ascertain impairment based on internal/ external factors. An impairment loss is recognised when the carrying amount of an assets exceeds its recoverable amount. The recoverable amount is the higher of the assets net selling price and value in use.

1.5. Inventories:

Inventories of raw materials and finished goods are valued as under:

Raw Materials	At Cost on FIFO basis.
Finished Goods	At lower of cost or net realisable value

1.6. Revenue Recognition:

Sales of Products are recorded when significant risks and rewards of ownership of products are passed on to the customers. Sales are stated at contractual realisable values, net of value added tax and inclusive of resale sales tax and trade discounts and returns if any.

Revenue from software development, which are generally time bound fixed price are recognised over the life of contract using the proportionate completion method, with contract cost determining the degree of completion.

Freight Income is recognised / accounted when goods are delivered by the company to customers. Freight expenses are accounted when hired vehicles delivers goods to company's customers.

All other expenses are accounted on accrual basis and provision is made for all known losses and liabilities and software development charges payable on proportionate completion method.

1.7. Taxation:

Current Income Tax is determined in accordance with Income Tax Act 1961.

Deferred tax liabilities arising from timing differences have been fully provided for when there is taxable profits.

Deferred Tax assets are recognised on the basis of consideration of prudence.

1.8. Investments:

Long term investments are stated at cost and provision for diminution in value, other than temporary, is considered wherever necessary.

Current investments are carried at lower of cost, Market value / Net asset value.

SCHEDULES

21. NOTES TO THE ACCOUNTS (Contd.)

1.9 Employee Benefits

Contribution to defined schemes such as Provident Fund, ESIC, Family Pension Fund (in case of eligible employees), are charged to Profit & Loss Account as incurred.

The company contributes to a group gratuity Policy with Life Insurance Corporation of India towards Gratuity Liability of its employees.

1.10 Contingent Liabilities & Provisions

All known liabilities of material nature have been provided for in the accounts except liabilities of contingent nature, which have been disclosed at their estimated value in the note on accounts in accordance with Accounting Standard – 29. As regard Provisions it is only those obligations arising from past events existing independently of an enterprises future actions that are recognised as provisions.

2. Balances appearing to the debit or credit of various parties are subject to confirmation / reconciliation and adjustments, if any in respect thereof.

3. Payment to Auditors	Current Year (₹)	Previous Year (₹)
Statutory Audit Fees	80,000.00	75,000.00
Tax Audit Fees	30,000.00	25,000.00
Service Tax	11,330.00	10,300.00
Total	1,21,330.00	1,10,300.00
4. Contingent liabilities not provided for (Performance Guarantees given to Customers by the Bank on behalf of Company)	Nil	15,00,000.00
5. a) Estimated amount of contracts remaining to be executed on Capital account and not provided for.	Nil	Nil
b) Claims against Company not acknowledged as debts	Nil	Nil
6. Remuneration to Director (Gross) (within the limits prescribed in the Schedule XIII of companies Act, 1956)	Nil	7,18,750.00

7. Value of Raw Materials Consumed / Sold

	Current Year		Previous Year	
	%	Amount (₹)	%	Amount (₹)
Indigenous	NA	Nil	NA	Nil
Imported	NA	Nil	NA	Nil
Total	NA	Nil	NA	NA

The cost of sale during the year represents cost of obsolete and nil scrap value
Finished Goods written off during the year.

8. Expenditure in Foreign Currency:	Nil	Nil
9. Earning in Foreign Exchange:	Nil	Nil

SCHEDULES

21. NOTES TO THE ACCOUNTS (Contd.)

10. Previous year figures are regrouped / rearranged wherever possible and necessary so as to Confirm to the current year's classification.

11. There are no amounts due to small scale industries in terms of "The micro small and medium enterprises development Act 2006"

The above information is based on the identification of such parties on information available with the company.

12. In the opinion of the board, the Current Assets, Loans and advances are approximately of the Value stated if realized in the ordinary course of business.

13. Earning Per Share

Net (Loss) after tax (in. ₹)

Weighted average outstanding equity shares considered for basic & diluted EPS (Nos.)

Earning per share Basic & Diluted (in. ₹)

Nominal value per share (in. ₹)

	2010-11	2009-10
Net (Loss) after tax (in. ₹)	(1,27,31,254)	(2,06,51,562)
Weighted average outstanding equity shares considered for basic & diluted EPS (Nos.)	52,60,500	50,10,000
Earning per share Basic & Diluted (in. ₹)	(2.42)	(4.12)
Nominal value per share (in. ₹)	10	10

14. Loans and Advances includes ₹ 23,40,397.50 being misappropriation/defalcation by four persons for which a criminal complaint has been filed with court of Hon'ble Judicial magistrate First Class Pimpri at Pimpri Dist. Pune and the Hon'ble court on 13th April 2009 has ordered that the Police Inspector Chinchwad Police Station to take cognizance of offence and carry a detailed investigation u/s 156 3(C) of criminal Procedure Code and file the report of the Investigation, in view of the forgoing, no provision for bad and doubtful debt is considered necessary at this stage.

15. Loans and Advances includes ₹ 4,01,370/- being a due from vendor, for which a suit u/s.138 of Negotiable Instruments Act, 1881 filed with 13th Metropolitan Magistrate Court Egmore, Chennai and bailable warrant is pending for execution against the vendor, therefore no provision for bad and doubtful debt is made.

16. Sundry Debtors includes a sum of ₹ 4,48,335/- and ₹ 74,201/- being dues from Customers of transportation by road segment, for which suits have been filed with City Civil Court at Madras and summons served for both the cases and posted for evidence, therefore no provision for bad and doubtful debt is made.

17. Sundry Debtors includes a sum of ₹ 13,83,800/- for recovery of dues from Customer of Software Development segment, for which suit has been filed with High Court, Madras and the trial has commenced, therefore no provision for bad and doubtful debt is made.

SCHEDULES
21. NOTES TO THE ACCOUNTS (Contd.)

18. Quantitative Information for year ended 31.03.2011

	2010-11		2009-10	
	Qty.	Value (₹)	Qty.	Value (₹)
Opening Stock				
VTS STEPP – II	90	13,14,000.00	90	13,14,000.00
VTS VU – 9101	–	–	–	–
GPS	–	–	–	–
Excel Power BA	–	–	–	–
PCBs	–	–	–	–
Push Button TEL	–	–	–	–
Sheet Metal Box	–	–	–	–
Total		13,14,000.00		13,14,000.00
	Qty.	Value (₹)	Qty.	Value (₹)
Purchases				
Class of Goods				
VTS STEPP – II	–	–	–	–
Total		–		–
	Qty.	Value (₹)	Qty.	Value (₹)
Sales				
VTS STEPP – II	–	–	–	–
VTS VU-9101	–	–	–	–
GPS	–	–	–	–
Excel Power BA	–	–	–	–
PCBs	–	–	–	–
Push Button TEL	–	–	–	–
Sheet Metal Box	–	–	–	–
Total		–		–
	Qty.	Value (₹)	Qty.	Value (₹)
Closing Stock				
VTS STEPP – II	–	–	90	13,14,000.00
VTS VU – 9101	–	–	–	–
GPS	–	–	–	–
Excel Power BA	–	–	–	–
PCBs	–	–	–	–
Push Button TEL	–	–	–	–
Sheet Metal Box	–	–	–	–
Total		–		13,14,000.00

SCHEDULES

21. NOTES TO THE ACCOUNTS (Contd.)

Related Party Disclosures as per AS 18

(As ascertained by the management)

19. Name of related parties and description of relationship

Holding Companies:

Sundaram Finance Limited

Sundaram Finance Distribution Limited

Subsidiary:

Sundaram Parekh Warehousing Services Limited

Fellow Subsidiaries:

Sundaram Asset Management Company Limited

Sundaram Trustee Company Limited

Sundaram BNP Paribas Home Finance Limited

Sundaram Business Services Limited

LGF Services Limited

Sundaram Infotech Solutions Limited

Sundaram BNP Paribas Fund Services Limited

Professional Management Consultants Limited

Sundaram Insurance Broking Services Limited

Associates:

Sundaram Mutual fund

Key Management Personnel:

Mr. Rahul Mehta, Managing Director

Relative of Key Management Personnel:

Mrs. Rina Mehta, Director

SCHEDULES
21. NOTES TO THE ACCOUNTS (Contd.)

Details of transactions with above related parties for FY.2010-2011

Particulars	Holding Cos.	Subsidiary	Fellow Subsidiaries	Key Management Personnel	Relative of Key Management Personnel	Total Related Parties (FY 10-11)	Total Related Parties (FY 09-10)
INVESTMENTS:							
LIABILITIES :							
Loan Taken	-	5,10,000.00	-	-	-	5,10,000.00	-
Loan Repaid	1,00,000.00	-	-	-	-	1,00,000.00	5,50,00,000.00
Principal on Car Loan repaid	1,12,597.00	-	-	-	-	1,12,597.00	3,17,179.00
Outstanding Balances at year end							
Loans at year end	8,40,00,000.00	-	1,00,00,000.00	-	-	9,40,00,000.00	10,40,00,000.00
Interest payable at year end (Net of TDS)	-	-	-	-	-	-	23,07,944.00
Car loan at year end	-	-	-	-	-	-	1,12,597.00
Internal Audit fees payable (Net of TDS)	-	-	-	-	-	-	74,452.00
Balance at year end payable (Fleet Card)	-	-	-	-	-	-	300.28
Pay Roll Processing Fee (Net of TDS)	-	-	16,214.00	-	-	16,214.00	33,090.00
EXPENSES & OTHER CHARGES :							
Interest on Loan	73,73,699.00	-	8,00,000.00	-	-	81,73,699.00	95,95,887.00
Interest on Car Loan (Net of Rebate)	(3946.00)	-	-	-	-	(3946.00)	56,298.00
Rent Paid (Including Service Tax)	2,31,636.00	-	-	-	-	2,31,636.00	2,31,636.00
Directors Remuneration (Gross of Deduction)	-	-	-	-	-	-	7,18,750.00
Internal Audit Fees (Including Service Tax)	1,65,450.00	-	-	-	-	1,65,450.00	1,65,450.00
Interest & other Charges on SFL - Fleet Card	-	-	-	-	-	-	3,95,772.00
Pay Roll Process - SBS (Including Service Tax)	-	-	1,98,540.00	-	-	1,98,540.00	1,98,540.00
Accounting Process - SBS (Including Service Tax)	-	-	1,63,266.00	-	-	1,63,266.00	-

SCHEDULES
21. NOTES TO THE ACCOUNTS (Contd.)

20 Segment Reporting

Business Segment	Goods Transport By Road		Warehouse Management		Software Development & Management / VTS Units		Business Support Service		Total	
	Current Year (Amount in ₹)	Previous Year (Amount in ₹)	Current Year (Amount in ₹)	Previous Year (Amount in ₹)	Current Year (Amount in ₹)	Previous Year (Amount in ₹)	Current Year (Amount in ₹)	Previous Year (Amount in ₹)	Current Year (Amount in ₹)	Previous Year (Amount in ₹)
REVENUE										
Segment Revenue	15,19,45,174.00	14,46,77,603.49	3,39,26,907.65	1,82,33,307.67	4,44,833.00	6,51,842.70	38,96,714.80	7,528,174.00	19,02,13,629.45	17,10,90,927.86
Inter segment Sales	-	-	-	-	-	-	-	-	-	-
Total Revenue	15,19,45,174.00	14,46,77,603.49	3,39,26,907.65	1,82,33,307.67	4,44,833.00	6,51,842.70	38,96,714.80	7,528,174.00	19,02,13,629.45	17,10,90,927.86
RESULT										
Segment Result	(15,39,651.00)	(62,46,229.00)	48,60,549.00	12,79,969.00	(14,27,496.00)	(29,22,099.00)	14,95,842.00	7,528,174.00	33,89,244.00	(3,60,185.00)
Unallocated Corporate Expenses / Income									(27,95,006.14)	(78,37,439.37)
Interest Expenses									(121,19,470.00)	(124,53,938.00)
Loss before Tax									1,27,13,707.86	2,06,51,562.37
Less: Income Tax / FBT									-	-
Loss After Tax									1,27,13,707.86	2,06,51,562.37
OTHER INFORMATION										
Segment Assets	6,24,90,017.87	8,52,44,740.33	70,53,887.00	46,95,874.00	21,96,441.00	39,56,011.00	69,120.00	2,781,906.00	7,18,09,465.87	9,66,78,551.33
Unallocated Assets										
Total Assets	6,24,90,017.87	8,52,44,740.33	70,53,887.00	46,95,874.00	21,96,441.00	39,56,011.00	69,120.00	2,781,906.00	7,18,09,465.87	9,66,78,551.33
Segment Liabilities	13,45,81,583.67	15,33,29,656.27	38,47,107.00	31,40,977.00	3,000.00	1,22,802.00	-	-	13,84,31,690.67	15,65,93,415.27
Unallocated Liabilities	-	-	-	-	-	-	-	-	-	-
Total Liabilities	13,45,81,583.67	15,33,29,656.27	38,47,107.00	31,40,977.00	3,000.00	1,22,802.00	-	-	13,84,31,690.67	15,65,93,415.27
Capital Expenditure	-	-	-	-	-	-	-	-	40,953.00	61,200.00
Depreciation	-	-	-	-	-	-	-	-	7,73,953.00	12,61,165.00
Non Cash expenses other than Depreciation	-	-	-	-	-	-	-	-	-	-

V Additional information pursuant to Part IV of Schedule VI to Companies Act,1956
Balance Sheet Abstract and General Business Profile for Financial Year 2010-2011

a) Registration details	State code : 18
Registration No :	U72900TN2000PLC063984
Balance Sheet date :	31-03-2011
b) Capital Raised During the Year	₹ '000
Public issue	NIL
Rights issue	6,012.00
Bonus issue	NIL
Private Placement	NIL
c) Position of Mobilisation and Deployment of Funds	
Total Liabilities	1,80,580.34
Total Assets	1,80,580.34
Sources of Funds	
Share Capital	56,112.00
Reserves & Surplus	NIL
Secured Loans	30,468.34
Unsecured Loans	94,000.00
Application of Funds	
Net Fixed Assets	1,774.34
Investments	510.00
Net Current Assets	55,561.77
Miscellaneous Expenditure	—
Accumulated Losses	122,734.22
d) Perfomance of the Company	
Turnover(including Other Income)	1,91,637.03
Total Expenditure (Including Prior Period)	2,04,368.28
Profit before Tax	(12,731.25)
Profit after Tax	(12,731.25)
Earnings per share in ₹	(2.42)
Dividend rate %	NIL
e) Generic Names of Principal Products of the Company	
Item Code No. (ITC Code)	N.A.
Product Description	Transportation by Road Warehouse Management Services Software Development & Consultancy

Signature to Schedule 1 to 21

As per our report of even date Attached
 For **Dharmendra & Co.**
 Firm Registration No: 112827W
 Chartered Accountants
Dhamendra C. Shah
 Proprietor
 M.No. 40234

Chennai
 5th May, 2011

for and on behalf of the board

T. T. Srinivasaraghavan
 Chairman

Rahul L. Mehta
 Managing Director

Srinivas Acharya
 Director

P. N. Srikant
 Secretary

Annual Report
 2010-11

**Statement Pursuant to Section 212 (1) (e) of the Companies Act, 1956,
relating to Subsidiary Company**

1. Name of the Subsidiary Company	Sundaram Parekh Warehousing Services Limited
2. Financial year of the Subsidiary ended on	31.03.2011
3. Holding Company's interest in the Subsidiary	51,000 Equity Shares of ₹ 10/- each (51%)
4. Net aggregate amount of the profits of the subsidiary not dealt with in the the Holding Company's Accounts	(₹ in lakh)
a) For the financial year of the Subsidiary Company	(0.29)
b) For the previous financial Years since it became a Subsidiary Company	Nil
5. Net aggregate amount of the profits of the subsidiary dealt with in the Holding Company's Accounts by way of dividends on the shares held in Subsidiary Company	
a) For the financial year of the Subsidiary Company	Nil
b) For the previous financial years since it became a Subsidiary Company	Nil

CASH FLOW STATEMENT

For Year Ended 31/03/2011

	2010-11 ₹	2009-10 ₹
A) CASH FLOW FROM OPERATING ACTIVITIES:		
Net Profit	(1,27,31,253.86)	(2,06,51,562.37)
Adjustment for:		
Depreciation	7,73,953.00	12,61,165.00
Interest Expenses (Including Finance Expenses)	1,22,95,642.03	1,27,98,650.24
Preliminary Expenses	11,913.00	2,381.00
Loss on Sale of Assets	85,624.00	1,03,123.16
	<u>1,31,67,132.03</u>	<u>1,41,65,319.40</u>
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	4,35,878.17	(6,486,242.97)
Adjustment for:		
Trade and Other Receivables	1,12,98,686.84	57,48,299.69
Inventories	13,14,000.00	-
Trade Payables and Other Liabilities	(24,77,042.08)	(1,43,14,229.81)
Loans & Advances & Other Current Assets	1,22,61,762.47	(25,04,093.58)
	<u>2,23,97,407.23</u>	<u>(11,070,023.70)</u>
Cash Generated form Operating Activities A)	2,28,33,285.40	(1,75,56,266.67)
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase / Sale of Assets	2,07,935.00	2,83,949.79
Purchase of Investments	(510,000.00)	-
Net Cash used in Investing Activities B)	(302,065.00)	2,83,949.79
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds From Right Issue of Share Capital	6,012,000.00	-
Financial expenses paid	(1,22,95,642.03)	(1,27,98,650.24)
Proceeds From Working Capital Loan/Intercompany Loan	(1,56,84,682.52)	3,07,01,595.88
Net Cash flow from Financing Activities C)	<u>(219,68,324.55)</u>	<u>1,79,02,945.64</u>
Net Increase/Decrease in Cash and Cash equivalents (A+B+C)	5,62,895.85	6,30,628.76
Cash and cash equivalents (Opening balances)	22,03,615.26	15,72,986.50
Cash and cash equivalents (Closing balances)	<u>27,66,511.11</u>	<u>22,03,615.26</u>
COMPONENTS OF CASH & CASH EQUIVALENTS AT THE END OF THE YEAR		
Current / Deposits Account with Banks	26,62,714.61	17,37,864.70
Cash on Hand	1,03,796.50	4,65,750.56
	<u>27,66,511.11</u>	<u>22,03,615.26</u>

As per our report of even date Attached
 For **Dharmendra & Co.**
 Firm Registration No: 112827W
 Chartered Accountants
Dharmendra C. Shah
 Proprietor
 M.No. 40234

Chennai
 5th May, 2011

for and on behalf of the board
T. T. Srinivasaraghavan
 Chairman
Rahul L. Mehta
 Managing Director
Srinivas Acharya
 Director
P. N. Srikant
 Secretary

BOARD OF DIRECTORS

S. Venkatesan

Rahul Lalbhai Mehta

S. Sivakumar

V. H. Parekh

Mukesh M Maniar

BANKERS

HDFC Bank, ITC Centre

AUDITORS

M/s. Brahmayya & Co., Chennai

Chartered Accountants

REGISTERED OFFICE

21, Patullos Road

Chennai 600 002

Directors' Report

Your Directors have pleasure in presenting the First Annual Report and Audited Accounts of the Company for the period ending 31st March, 2011.

The summarised financial results of the Company, are given hereunder:

(Amount in ₹)

Particulars	Period ended March 31, 2011
Total Income	–
Total Expenditure	56,163
Loss before Taxation	56,163
Provision for Taxation	–
Loss after Tax	56,163
Transfer to General Reserve	–
Surplus carried to Balance Sheet	–

INCORPORATION

Your Company was incorporated as a private limited company on 25th August 2010 with a paid-up capital of ₹ 10.00 lakhs and subsequently became a public company in January 2011. The holding company, Infreight Logistics Solutions Limited, holds 51% of the capital while the balance 49% is held by Parekh Integrated Services Pvt. Ltd., one of the largest distribution and logistics company catering to specialised industry like pharmaceuticals, which will make available its expertise in operating warehousing facilities across the country.

OPERATIONS OF THE COMPANY

Your Company was started with the objective of providing full fledged high-end warehousing services across the country.

Your Company proposes to take on lease warehousing facilities at different locations and is expected to become operational during the financial year 2011-12.

DIRECTORS

Sri S. Venkatesan, Sri Rahul Lalbhai Mehta, Sri S Sivakumar, Sri Mukesh M Maniar and Sri V H Parekh, appointed as Additional Director at the Board Meeting held on 14th October 2010, retire at the ensuing Annual General Meeting and is eligible for appointment. Notices under Section 257 of the Companies Act, 1956, proposing the appointment of Sri S. Venkatesan, Sri Rahul Lalbhai Mehta, Sri S Sivakumar, Sri Mukesh M Maniar and Sri V H Parekh have been received from members.

DIRECTORS' RESPONSIBILITY STATEMENT

In terms of Section 217(2AA) of the Companies Act, 1956, your directors confirm:

- i) that in the preparation of the annual accounts, the applicable accounting standards had been followed;
- ii) that they had selected such accounting policies and applied them consistently and made judgements and estimates that are 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 that period;
- iii) that they had 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; and
- iv) that they had prepared the annual accounts on a going concern basis.

SECRETARIAL COMPLIANCE CERTIFICATE

In accordance with Section 383A of the Companies Act, 1956, the Secretarial Compliance Certificate is attached with this report.

INFORMATION AS PER SECTION 217(1)(e) of the COMPANIES ACT, 1956

Your Company has no activity relating to conservation of energy or technology absorption. Your Company did not have any foreign exchange earnings or outgo during the period ended 31st March 2011.

PERSONNEL

Your Company has no employee on its payroll. Accordingly, the provisions of Section 217(2A) of the Companies Act, 1956 are not applicable.

DEPOSITS

Your Company has not accepted any public deposit during the period under review.

AUDITORS

M/s Brahmaya & Co, Chartered Accountants, Chennai, Statutory Auditors of your Company, hold office until the conclusion of the ensuing Annual General Meeting and are recommended for re-appointment. The Company has received a certificate from them to the effect that their appointment, if made, would be within the limits prescribed under Section 224(1)(b) of the Companies Act, 1956.

ACKNOWLEDGEMENT

Your Directors thank Infreight Logistics Solutions Limited and Parekh Integrated Services Private Limited for its support.

Rahul L. Mehta
Mukesh M. Maniar
S. Sivakumar
S Venkatesan
Directors

Chennai 600 002
Date: 18th April 2011

Secretarial Compliance Certificate

Name of the Company : SUNDARAM PAREKH WAREHOUSING SERVICES LIMITED
 Registration No. : U63030TN2010PLC077122
 Authorized Capital : ₹ 10,00,000/-
 Paid-up Capital : ₹ 10,00,000/-

To,
 The Members
 Sundaram Parekh Warehousing Services Limited
 21, Patullas Road, Chennai – 600 002.

I have examined the registers, records, books and papers of **SUNDARAM PAREKH WAREHOUSING SERVICES LIMITED** (the Company), which was incorporated on 25th August 2010, as required to be maintained under the Companies Act, 1956, (the Act) and the rules made thereunder and also the provisions contained in the Memorandum and Articles of Association of the Company for the period ended **31st March 2011**. In my opinion and to the best of my information and according to the examinations carried out by me and explanations furnished to me by the Company, its officers and agents, I certify that in respect of the aforesaid period:

1. The Company has kept and maintained all registers as stated in Annexure 'A' to this certificate, as per the provisions and the rules made there under and all entries therein have been duly recorded.
2. The Company has filed the forms and returns as stated in Annexure 'B' to this certificate, with the Registrar of Companies, Regional Director, Central Government, Company Law Board or other authorities within the time prescribed under the Act and the rules made there under.
3. The Company is a Public limited Company and has the minimum prescribed paid up capital.
4. The Board of Directors duly met Four (4) times on 17th September 2010, 14th October 2010, 20th January 2011 and 21st March 2011 in respect of which meetings proper notices were given and proceedings were properly recorded and signed in the Minutes Book maintained for the purpose.
5. The Company was not required to close its Register of Members during the period ended 31st March 2011.
6. Since the Company was incorporated on 25th August 2010,

no annual general meeting was held during the period ended 31st March 2011.

7. Two Extra-Ordinary General Meetings were held on 20th January 2011 and 21st March 2011 during the period ended 31st March 2011 and the resolutions passed thereat were duly recorded in minutes book maintained for the purpose.
8. The Company has not advanced any loans or given any guarantees or provided any securities to its directors or persons or firms or companies referred to under Section 295 of the Act.
9. The Company has not entered into any contract falling within the purview of Section 297 of the Act.
10. The Company was not required to make any entries in the register maintained under Section 301 of the Act.
11. As there were no instances falling within the purview of Section 314 of the Act, the Company has not obtained any approvals from the Board of directors, members or Central Government.
12. The Company has not issued any duplicate share certificates during the period ended 31st March 2011.
13. The Company:
 - i) has delivered all the certificates on allotment of securities and on lodgement thereof for transfer/transmission or any other purpose in accordance with the provisions of the Act.
 - ii) has not deposited any amount in a separate bank account as no dividend was declared during the period ended 31st March 2011.
 - iii) was not required to post warrants to any member of the Company as no dividend was declared during the period ended 31st March 2011.
 - iv) has issued shares for the first time during the period ended 31st March 2011 and has not declared any

-
- dividend, issued any debentures and has not accepted any deposits. Hence, the question of transfer of dividend to unpaid dividend account, application money due for refund, matured deposits, matured debentures and the interest accrued thereon which have remained unclaimed or unpaid for a period of seven years to Investor Education and Protection Fund does not arise.
- v) has duly complied with the requirements of Section 217 of the Act.
14. The Board of Directors of the Company is duly constituted and the appointment to the Board has been duly made and registered.
 15. The Company has not appointed any Managing Director / Whole-time Director / Manager during the period under review.
 16. The Company has not appointed any sole selling agent during the period ended 31st March 2011.
 17. The Company was incorporated on 25th August 2010 after following the procedures laid down under the Companies Act, 1956. Thereafter, the Company was not required to obtain any approvals of the Central Government, Company Law Board, Regional Director and / or such authorities prescribed under the various provisions of the Act during the period ended 31st March 2011.
 18. The Directors have disclosed their interest in other firms/ companies to the Board of Directors pursuant to the provisions of the Act and the rules made thereunder.
 19. The Company has issued 1,00,000 equity shares during the period ended 31st March 2011.
 20. The Company has not bought back any shares during the period under review and hence the question of complying with the buy back provisions does not arise.
 21. The Company has no preference share capital and has not issued debentures and hence the question of redemption of preference shares/ debentures during the period under review does not arise.
 22. There were no transactions necessitating the Company to keep in abeyance the rights to dividend, rights shares and bonus shares pending registration of transfer of shares.
 23. The Company has not invited / accepted any deposits including any unsecured loans falling within the purview of Section 58A during the period ended 31st March 2011.
 24. The Company has not made any borrowings during the period ended 31st March 2011.
 25. The Company has not made loans and investments or given guarantees or provided securities to other bodies corporate and consequently no entries have been made in the Register kept for the purpose.
 26. During the period under review, the Company has altered the provisions of its Memorandum of Association with respect to name of the company consequent to conversion into a public limited company under Section 44 of the Companies Act, 1956 and complied with the provisions of the Act.
 27. During the period under review, the Company has altered the provisions of its Articles of Association by removing the restrictive clauses of a private limited company and by incorporating the provisions of the Shareholders' cum Share Subscription Agreement after obtaining approval of members in the general meeting held on 20th January 2011 and 23rd March 2011 and the amendments to the articles of association have been duly registered with the Registrar of Companies on 16th February 2011 and 28th March 2011 respectively.
 28. There was no prosecution initiated against or show cause notices received by the Company and no fines or penalties or any other punishment was imposed on the Company during the period ended 31st March 2011, for offences under the Act.
 29. The Company has not received any money as security from its employees during the period ended 31st March 2011.
 30. According to the information and explanations given to me, during the period under review, the provisions relating to contribution to Provident Fund did not apply to the Company.
- Place: Chennai
Date : 15th April 2011
- MALINI SESHADRI, A.C.S.**
No. 5493 CP1323

Annexure A to Secretarial Compliance Certificate

Registers as maintained by the Company during the period ended 31st March, 2011

Sl. No.	Section Number	Name of the Register
1.	—	Share Transfer Register
2.	150	Register of Members
3.	193	Minutes of the meetings of Board of directors
4.	193	Minutes of the meetings of the Members
5.	303	Register of Directors
6.	307	Register of Directors' Shareholding
7.	372A	Register of Investments/Loans /Guarantees and Securities
8.	—	Board Meeting Attendance Register
9.	—	General Meeting Attendance Register
10.	—	Common Seal Register

Place: Chennai
Date : 15th April 2011

MALINI SESHADRI, A.C.S.
No. 5493 CP1323

Annexure B to Secretarial Compliance Certificate

Returns/Documents/forms filed with the Registrar of Companies, Regional Director,
Central Government or other authorities during the period ended 31st March 2011

REGISTRAR OF COMPANIES

Sl. No	Form No.	Relevant Section	Description
1.	1	—	Declaration of compliance with the requirements of the Companies Act, 1956 on application for registration of a Company.
2.	18	146	Notice of situation of Registered Office of the Company
3.	32	303	Appointment of Sri M. Ramaswamy and Sri P. Viswanathan as First Directors of the Company.
4.	32	303	Co-option of Sri S. Venkatesan, Sri. Rahul Lalbhai Mehta and Sri S. Sivakumar as Additional Directors of the Company.
5.	32	303	Resignation of Sri M. Ramaswamy and Sri P. Viswanathan, Directors
6.	22B	187C	Filing of Form III together with Form I and Form II received from the nominees and beneficiary.
7.	62	44(2)(b)	Statement in lieu of prospectus
8.	23	21 read with 44(1)(b)	Conversion from Private Limited Company to Public Company
9.	23	31	Alteration of Articles of Association

REGIONAL DIRECTOR

NIL

CENTRAL GOVERNMENT & OTHER AUTHORITIES

NIL

Place: Chennai
Date : 15th April 2011

MALINI SESHADRI, A.C.S.
No. 5493 CP1323

Annual Report
2010-11

Auditors' Report

to the Members of Sundaram Parekh Warehousing Services Limited

1. We have audited the attached Balance Sheet of Sundaram Parekh Warehousing Services Limited, as at 31st March 2011, the Profit and Loss Account and the Cash Flow Statement of the Company for the period 25th August, 2010 (date of incorporation) to 31st March, 2011, annexed thereto, which we have signed under reference to this report. 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.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance 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 a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 as amended by the Companies (Auditor's Report) (Amendment) Order, 2004 (together the 'Order') issued by the Central Government in terms of sub-section (4A) of Section 227 of the Companies Act, 1956 (the Act), and based on the information and explanations give to us, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
 - i) we have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - ii) in our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
 - iii) the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account.
 - iv) in our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of Section 211 of the Act, to the extent applicable.
 - v) on the basis of written representations received from the directors, as on 31st March 2011 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March 2011 from being appointed as a Director in terms of clause (g) of sub-section (1) of Section 274 of the Act, and
 - vi) in our opinion and to the best of our information and according to the explanations given to us, the said accounts together with the notes thereon 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:
 - a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March 2011;
 - b) in the case of the Profit and Loss Account, of the loss for the period ended on that date; and
 - c) in the case of the Cash Flow Statement, of the cash flows for the period ended on that date.
4. Further to our comments in the Annexure referred to above, we report that:

For **BRAHMAYYA & CO.**,
Chartered Accountants
Registration No.000511S
L. RAVI SANKAR
Partner
Membership No. 25929

Place : Chennai
Date : 18th April, 2011

Annexure to the Auditors' Report referred to in Paragraph 3 of our Report of even date

1. In our opinion and according to the information and explanations given to us, the Company has not granted or taken loans to / from companies, firms or other parties covered in the register maintained under Section 301 of the Act. Therefore, the provisions of clauses iii(a) to iii(g) of Paragraph 4 of the Order are not applicable to the Company for the period.
 - b) given any guarantees for loan taken by others from banks or financial institutions.
 - c) availed any term loan.
 - d) issued any debentures.
 - e) raised monies by way of public issue.
 - f) raised any short term funds.
2. 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. During the course of our audit, no major weaknesses have been noticed in the internal controls and therefore the reporting of the same does not arise
3. The Company has not accepted deposits.
4. Being the first accounting period, the Company does not require to have an internal audit system.
5. The Central Government has not prescribed the maintenance of cost records under Section 209(1)(d) of the Companies Act, 1956.
6. The Company does not have any borrowing from financial institutions, Banks, or by issue of debentures.
7. According to the information and explanations given to us, during the period, the Company has not:
 - a) granted loans or advances on the basis of security by way of pledge of shares, debentures and other securities.
8. The Company has not made preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Act.
9. To the best of our knowledge and belief and according to the information and explanations given to us, during the period no fraud by the Company and no fraud on the Company was noticed or reported during the course of our audit.
10. In our opinion and according to the information and explanations given to us, the nature of the company's business / activities during the period have been such that clauses i, ii, v, ix, x, xiii and xiv of paragraph 4 of the Companies (Auditors' Report) Order, 2003 are not applicable to the Company for the period.

For **BRAHMAYYA & CO.**,
Chartered Accountants
Registration No.000511S
L. RAVI SANKAR
Partner
Membership No. 25929

Place : Chennai
Date : 18th April, 2011

Balance Sheet

as at 31st March, 2011

	Schedule	31.03.2011	
		₹	
I SOURCES OF FUNDS			
1. Shareholders' Funds			
a) Capital	1	10,00,000	
b) Reserves and Surplus		—	10,00,000
2. Loan Funds			
a) Secured Loans		—	
b) Unsecured Loans		—	—
Total			10,00,000
 II APPLICATION OF FUNDS			
1. Fixed Assets			
—			
2. Investments			
—			
3. Current Assets, Loans and Advances			
a) Current Assets	2	9,50,455	
b) Loans and Advances		—	
		(A)	9,50,455
Less: Current Liabilities and Provisions			
a) Current Liabilities	3	6,618	
b) Provisions		—	
		(B)	6,618
Net Current Assets		(A-B)	9,43,837
 4 a) Miscellaneous Expenditure			
(to the extent not written off or adjusted)			
—			
b) Debit Balance in Profit and Loss Account			
56,163			
Total			10,00,000
Notes to the Accounts	5		

As per our report of even date attached

For **Brahmayya & Co.,**
Chartered Accountants

L. Ravisankar
Partner

Chennai
18th April 2011

Rahul L. Mehta
Director

Mukesh M. Maniar
Director

S. Sivakumar
Director

S. Venkatesan
Director

Profit and Loss Account

for the period 25th August 2010 (date of incorporation) to 31st March 2011

	Schedule	2010-11
		₹
<u>INCOME:</u>		
Income from Operations		—
Other Income		—
Total	(A)	—
<u>EXPENDITURE :</u>		
Administrative and other expenses	4	8,363
Preliminary expenses written off		47,800
Total	(B)	56,163
Loss before Tax	(A-B)	56,163
Less: Provision for Taxation		—
Loss for the period carried to Balance Sheet		56,163
Notes to the Accounts	5	
Weighted average number of Equity Shares of ₹ 10/- each		58333
Basic and Diluted Earnings Per Share		(0.96)

As per our report of even date attached
For **Brahmayya & Co.,**
Chartered Accountants
L. Ravisankar
Partner
Chennai
18th April 2011

Rahul L. Mehta
Director

Mukesh M. Maniar
Director

S. Sivakumar
Director

S. Venkatesan
Director

SCHEDULES

SCHEDULES TO BALANCE SHEET

1. Share Capital

Authorised

(1,00,000 Equity Shares of ₹ 10 each)

10,00,000

Issued, Subscribed and Paid up:

1,00,000 Equity Shares of ₹ 10 each

(Of the above, 51,000 Equity Shares are held by

Infreight Logistics Solutions Limited, the Holding Company)

10,00,000

2. Current Assets

Cash and Bank Balances with Scheduled Bank in

– Current Account

9,50,455

3. Current Liabilities

Sundry Creditors

For Expenses

6,618

As at March 31, 2011
₹
10,00,000
10,00,000
9,50,455
6,618

SCHEDULE TO PROFIT AND LOSS ACCOUNT

4. Administrative and other expenses

Rates and Taxes

918

Professional Fees

827

Auditors' Remuneration

– Statutory Audit

6,000

– Service Tax

618

6,618

8,363

2010-11
₹
918
827
6,000
618
6,618
8,363

SCHEDULES

5. NOTES TO THE ACCOUNTS

1. SIGNIFICANT ACCOUNTING POLICIES

- 1.1 The financial statements are prepared and presented under the historical cost convention on the accrual basis of accounting and comply with the relevant provisions of 211 (3C) of the Companies Act, 1956.

The preparation of the financial statements in conformity with generally accepted accounting principles requires the use of estimates and assumptions that affect the reported amount of assets and liabilities as at the Balance Sheet date, reported amounts of revenues and expenses during the year and disclosure of contingent liabilities as at that date. The estimates and assumptions used in these financial statements are based upon the management's evaluation of the relevant facts and circumstances as of the date of the financial statements.

- 1.2 Income and expenditure are accounted on accrual basis.

- 1.3 Preliminary Expenses

Preliminary Expenses incurred for the incorporation of the company are written off during the Period.

2. GENERAL

- 2.1 Related Party disclosures: In accordance with the Accounting Standard – AS 18 – Related Party Disclosures, the details of related parties and the transactions with related parties are given below:

Related Parties:

Holding Companies:

Sundaram Finance Limited

Sundaram Finance Distribution Limited

Infreight Logistics Solutions Limited

Fellow Subsidiaries:

Sundaram BNP Paribas Home Finance Limited

Sundaram Asset Management Company Limited

Sundaram Trustee Company Limited

Sundaram Infotech Solutions Limited

Sundaram Business Services Limited

Professional Management Consultants Limited

Sundaram BNP Paribas Fund Services Limited

Sundaram Insurance Broking Services Limited

LGF Services Limited

Associate:

Sundaram Mutual Fund

SCHEDULES

5. NOTES TO THE ACCOUNTS (Contd.)

Related Party Transaction:

The nature and volume of transactions of the company during the period, with the related parties are as follows:

(in ₹)

Nature of Transaction	Holding Company	Total
Transaction during the period:		
Receipt of Share Capital		
– Infreight Logistics Solutions Limited	5,10,000	5,10,000
Liabilities at the end of the year:		
Equity Share Capital		
– Infreight Logistics Solutions Limited	5,10,000	5,10,000

2.2 Earnings per share: 31st March 2011

A. Loss for the Period (₹)	56,163
B. Weighted Average number of Equity Shares of ₹ 10/-each	58,333
C. Basic and Diluted Earnings Per Share – (₹)	(0.96)

2.3 The company does not owe any amount to Small Scale Industrial undertaking.

2.4 The Company was incorporated on 25th August 2010. The financial statements pertain to the period from the date of incorporation to 31st March 2011. Therefore, there are no comparative figures for the previous period.

2.5 Figures have been rounded off to the nearest rupee.

Signatures to Schedules 1 to 5

As per our report of even date attached

For **Brahmayya & Co.,**

Chartered Accountants

L. Ravisankar

Partner

Chennai

18th April 2011

Rahul L. Mehta

Director

S. Sivakumar

Director

Mukesh M. Maniar

Director

S. Venkatesan

Director

SUNDARAM PAREKH WAREHOUSING SERVICES LIMITED

Balance Sheet Abstract and Company's General Business Profile

Information as required under part IV of the Schedule VI of the Companies Act, 1956

I Registration Details

Registration No.

State Code

Balance Sheet Date

Date Month Year

II Capital Raised during the Year (Amount in Rs. Thousands)

Public Issue	Rights Issue
<input type="text" value=""/> <input type="text" value=""/> <input type="text" value="N"/> <input type="text" value="I"/> <input type="text" value="L"/> <input type="text" value=""/> <input type="text" value=""/>	<input type="text" value=""/> <input type="text" value=""/> <input type="text" value="N"/> <input type="text" value="I"/> <input type="text" value="L"/> <input type="text" value=""/> <input type="text" value=""/>
Bonus Issue	Private Placement
<input type="text" value=""/> <input type="text" value=""/> <input type="text" value="N"/> <input type="text" value="I"/> <input type="text" value="L"/> <input type="text" value=""/> <input type="text" value=""/>	<input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value="1"/> <input type="text" value="0"/> <input type="text" value="0"/> <input type="text" value="0"/>

III Position of Mobilisation and Deployment of Funds (Amount in Rs. Thousands)

Total Liabilities	Total Assets
<input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value="1"/> <input type="text" value="0"/> <input type="text" value="0"/> <input type="text" value="0"/>	<input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value="1"/> <input type="text" value="0"/> <input type="text" value="0"/> <input type="text" value="0"/>
Sources of Funds	Reserves & Surplus
Paid up Capital	<input type="text" value=""/> <input type="text" value=""/> <input type="text" value="N"/> <input type="text" value="I"/> <input type="text" value="L"/> <input type="text" value=""/> <input type="text" value=""/>
<input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value="1"/> <input type="text" value="0"/> <input type="text" value="0"/> <input type="text" value="0"/>	Unsecured Loans
Secured Loans	<input type="text" value=""/> <input type="text" value=""/> <input type="text" value="N"/> <input type="text" value="I"/> <input type="text" value="L"/> <input type="text" value=""/> <input type="text" value=""/>
<input type="text" value=""/> <input type="text" value=""/> <input type="text" value="N"/> <input type="text" value="I"/> <input type="text" value="L"/> <input type="text" value=""/> <input type="text" value=""/>	Investments
Applications of Funds	<input type="text" value=""/> <input type="text" value=""/> <input type="text" value="N"/> <input type="text" value="I"/> <input type="text" value="L"/> <input type="text" value=""/> <input type="text" value=""/>
Net Fixed Assets	Misc. Expenditure
<input type="text" value=""/> <input type="text" value=""/> <input type="text" value="N"/> <input type="text" value="I"/> <input type="text" value="L"/> <input type="text" value=""/> <input type="text" value=""/>	<input type="text" value=""/> <input type="text" value=""/> <input type="text" value="N"/> <input type="text" value="I"/> <input type="text" value="L"/> <input type="text" value=""/> <input type="text" value=""/>
Net Current Assets	
<input type="text" value=""/> <input type="text" value=""/> <input type="text" value="9"/> <input type="text" value="4"/> <input type="text" value="3"/> <input type="text" value="."/> <input type="text" value="8"/> <input type="text" value="4"/>	
Accumulated Losses	
<input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value="5"/> <input type="text" value="6"/> <input type="text" value="."/> <input type="text" value="1"/> <input type="text" value="6"/>	

IV Performance of Company (Amount in Rs. Thousands)

Turnover	Total Expenditure
<input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value="0"/>	<input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value="5"/> <input type="text" value="6"/> <input type="text" value="."/> <input type="text" value="1"/> <input type="text" value="6"/>
+ - Profit / (Loss) Before Tax	+ - Profit / (Loss) After Tax
<input type="checkbox"/> <input checked="" type="checkbox"/> <input type="text" value=""/> <input type="text" value="5"/> <input type="text" value="6"/> <input type="text" value="."/> <input type="text" value="1"/> <input type="text" value="6"/>	<input type="checkbox"/> <input checked="" type="checkbox"/> <input type="text" value=""/> <input type="text" value="5"/> <input type="text" value="6"/> <input type="text" value="."/> <input type="text" value="1"/> <input type="text" value="6"/>

(Please tick appropriate box + for profit, - for loss)

Earnings Per Share

Rs. Ps.

Dividend Rate %

 V Generic Names of Three Principal Products / Services of Company (As per monetary terms)

Item Code No. (ITC Code)

Not Applicable

(ITC Code) / Service

Product / Service Description

CASH FLOW STATEMENT

		2010-11
		(₹)
A) CASH FLOW FROM OPERATING ACTIVITIES		
Net Loss		(56,163)
Add: Preliminary expenses written off		47,800
Operating Profit Before Working Capital Changes		(8,363)
Preliminary Expenses paid		(47,800)
Increase / (Decrease) in Current Liabilities		6,618
NET CASH FROM OPERATING ACTIVITIES	(A)	(49,545)
B) CASH FLOW FROM INVESTING ACTIVITIES		
	(B)	-
C) CASH FROM FINANCING ACTIVITIES		
Proceeds from issue of Equity shares		10,00,000
NET CASH FROM FINANCING ACTIVITIES	(C)	10,00,000
NET INCREASE IN CASH AND CASH EQUIVALENTS (A) + (B) + (C)		9,50,455
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR		-
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR		9,50,455
COMPONENTS OF CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR		
Current Account with Bank		9,50,455

As per our report of even date attached
For **Brahmayya & Co.**,
Chartered Accountants
L. Ravisankar
Partner

Chennai
18th April 2011

Rahul L. Mehta
Director

S. Sivakumar
Director

Mukesh M. Maniar
Director

S. Venkatesan
Director