

SUNDARAM FINANCE DISTRIBUTION LIMITED

18th ANNUAL REPORT 2011-12



BOARD OF DIRECTORS

S Venkatesan

A N Raju

K Sankarakumar

BANKERS

State Bank of Travancore

ICICI Bank

AUDITORS

M/s. Brahmayya & Co., Chennai
Chartered Accountants

Subsidiaries

Infreight Logistics Solutions Limited

Sundaram Parekh Warehousing Services Limited

Caltec Servicez Private Limited

REGISTERED OFFICE

21, Patullos Road
Chennai 600 002

SUNDARAM FINANCE DISTRIBUTION LIMITED

A wholly-owned subsidiary of



SUNDARAM FINANCE LIMITED

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Directors' Report

Your Directors present the Eighteenth Annual Report and Audited Accounts for the year ended 31st March, 2012.

FINANCIAL RESULTS

(₹ in cr.)

Particulars	Year ended March 31, 2012	Year ended March 31, 2011
Income from Operations	7.56	7.79
Profit on Sale of Shares in Credit Analysis and Research Limited (CARE)	–	65.53
Other Income	0.97	2.23
Total Income	8.53	75.55
Less: Total Expenditure	5.00	3.89
Profit before Tax	3.53	71.66
Profit after Tax	2.36	54.32
Surplus brought forward	0.23	1.65
Amount available for appropriation	2.59	55.97
Appropriations have been made as under:		
Transfers to General Reserve	1.00	10.44
Dividend – Special Interim	–	38.85
– Final	1.25	–
Dividend Tax	0.20	6.45
Surplus carried to balance sheet	0.14	0.23

BUSINESS REVIEW

Your Company earned an income from operations of ₹ 7.56 cr. as against ₹ 7.79 cr. in the previous year.

The profit after tax for the year was at ₹ 2.36 cr. as against ₹ 54.33 cr. in the previous year (which included a profit of ₹ 50.15 cr., on account of sale of CARE shares).

The composite licence for corporate agency with The New India Assurance Company Limited and SBI Life Insurance Company Limited was surrendered in August 2011.

DIVIDEND

Your directors are happy to recommend a dividend of 250% for the financial year 2011-12 on the paid-up capital of ₹ 50.00 lakhs, as against 7770% during the previous year. The dividend together with dividend tax of ₹ 0.20 cr. absorbs a sum of ₹ 1.45 cr.

SUBSIDIARIES

Infreight Logistics Solutions Limited (Infreight)

In March 2012, your Company acquired the balance 21.41% stake in Infreight from its promoters. Consequent to the said acquisition, Infreight became a wholly-owned subsidiary of your Company and therefore of Sundaram Finance Limited.

The revenue of Infreight during the year was ₹ 8.69 cr. as against ₹ 19.16 cr. in the previous year. Profit for the year was at ₹ 1.77 cr. as against loss of ₹ 1.27 cr. in the previous year.

During the year, the transition of contracts relating to select transportation clients was completed and the consideration received was utilised for the purpose of repaying loans to Bank as well as inter-corporate loans taken to meet the working capital requirements of the company.

Sundaram Parekh Warehousing Services Limited (Sundaram Parekh)

Sundaram Parekh, a subsidiary of your company, is yet to start the warehousing business. However, their transportation segment has recorded a modest turnover from the transportation segment, to the tune of ₹ 0.38 cr and with a profit of ₹ 0.04 cr.

Caltec Servicez Private Limited (Caltec)

During the year, your Company acquired 51% stake in Caltec. Consequent to the said acquisition, Caltec became a subsidiary of your Company and therefore of Sundaram Finance Limited with effect from 31st October 2011.

Caltec is engaged in providing call centre and other related solutions. The company's revenue for the year was ₹ 4.97 cr. as against ₹ 6.74 cr. in the previous year. The fall in revenue by 25% from previous year was primarily due to drop in volume from few existing clients and the loss of some clients. Operations during the year resulted in net loss of ₹ 1.26 lakhs as against net profit of ₹ 53.88 lakhs in the previous year. Several initiatives are being taken to increase revenues and put Caltec on the path to sustained profitability.

DIRECTORS

Sri A. N. Raju, 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 profit 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.

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

ACKNOWLEDGEMENT

Your Directors' thank the holding company, Sundaram Finance Ltd for its support. Your Directors' also wish to place on record their appreciation of the contribution made by the management team and the employees at all levels.

Chennai 600 002
Date: 21.5.2012

A.N. Raju
K. Sankarakumar
Directors

Secretarial Compliance Certificate

Name of the Company : SUNDARAM FINANCE DISTRIBUTION LIMITED
 Registration No. : U67120TN1993PLC025996
 Authorized Capital : ₹ 3,00,00,000/-
 Paid-up Capital : ₹ 50,00,000/-

To,
 The Members
 Sundaram Finance Distribution Limited
 21, Patullos Road, Chennai – 600 002.

I have examined the registers, records, books and papers of **SUNDARAM FINANCE DISTRIBUTION LIMITED** (the Company) as required to be maintained under the Companies Act, 1956, (the Act) and the rules made there under and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended on **31st March 2012**. In my opinion and to the best of 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 financial year:

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 Eight (8) times on 12th May 2011, 14th June 2011, 29th July 2011, 24th August 2011, 1st October 2011, 24th November 2011, 16th March 2012, 29th March 2012 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 financial year ended 31st March 2012.
6. The Seventeenth Annual General Meeting for the financial year ended 31st March, 2011 was held on 13th June 2011 after giving due notice to the members of the Company and the resolutions passed thereat were duly recorded in the Minutes Book maintained for the purpose.
7. No Extra-Ordinary General Meeting was held during the financial year ended 31st March 2012.
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 during the year ended 31st March 2012.
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 year ended 31st March 2012.
13. The Company:
 - i) has delivered all the certificates on allotment of securities and on lodgement thereof for transfer 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 financial year ended 31st March 2012.
 - iii) was not required to post warrants to any member of the Company as no dividend was declared during the year ended 31st March 2012.

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- iv) has not declared any dividend, issued any shares or 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 financial year under review.
16. The Company has not appointed any sole selling agent during the financial year ended 31st March 2012.
17. 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 financial year ended 31st March 2012.
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 there under.
19. The Company has not issued any shares, debentures or other securities during the financial year ended 31st March 2012.
20. The Company has not bought back any shares during the financial year 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 financial year 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 financial year ended 31st March 2012.
24. The Company has not made any borrowings during the financial year ended 31st March 2012.
25. The Company has made loans and investments in bodies corporate during the year ended 31st March 2012 in compliance with the provisions of the Act and has made necessary entries in the register kept for the purpose.
26. During the period under review, the Company has not altered the provisions of its Memorandum and its Articles of Association.
27. 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 financial year, for offences under the Act.
28. The Company has not received any money as security from its employees during the financial year ended 31st March 2012.
29. During the year under review, the Company was regular in depositing Provident fund with statutory authorities. It has no PF Trust on its own as envisaged under Section 418 of the Act.
- Place: Chennai
Date: 20th April 2012
- MALINI SESHADRI, A.C.S.**
No. 5493 CP1323

Annexure A to Secretarial Compliance Certificate

Registers as maintained by the Company during the financial year ended 31st March, 2012

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

MALINI SESHADRI, A.C.S.

Date : 20th April 2012

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 financial year ended 31st March 2012

REGISTRAR OF COMPANIES

Sl. No	Form No.	Relevant Section	Description
1.	66	383A	Compliance Certificate issued by Ms Malini Seshadri, Practising Company Secretary, for the financial year ended 31st March 2011.
2.	23AC -XBRL & 23ACA - XBRL	220	Balance Sheet and Profit & Loss Account for the financial year ended 31st March 2011.
3.	20B	159	Annual Return made upto 13th June 2011 (Date of AGM).
4.	22B	187C	Changes in the nominees of Sundaram Finance Limited

REGIONAL DIRECTOR

NIL

CENTRAL GOVERNMENT & OTHER AUTHORITIES

NIL

Place: Chennai

MALINI SESHADRI, A.C.S.

Date : 20th April 2012

No. 5493 CP1323

Auditors' Report

To the Members of Sundaram Finance Distribution Limited

1. We have audited the attached Balance Sheet of Sundaram Finance Distribution Limited, (the Company) as at 31st March 2012, the Profit and Loss Statement and the Cash Flow Statement of the Company for the year ended on that date, 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 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 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) we give in the Annexure a statement on the matters specified in 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 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 Statement and the 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 Statement and the Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956, to the extent applicable.
 - v) on the basis of written representations received from the directors, as on 31st March 2012 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March 2012 from being appointed as a director in 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 give the information required by the Companies Act, 1956, 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 2012;
 - b) in the case of the Profit and Loss Statement, of the profit for the year ended on that date; and
 - c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

For **BRAHMAYYA & CO.**,
Chartered Accountants
Firm Registration No. 000511S

P. BABU
Partner

Place : Chennai
Date : 21st May 2012

Membership No.203358

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 to the company for the year.
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 and the nature of its business with regard to services rendered. 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.
 - a) In our opinion, and according to the information and explanations given to us, we are of the opinion that the particulars of contracts or arrangements referred to in Section 301 of the Act that need to be entered in the register maintained under that Section have been so entered.
 - b) In our opinion, according to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements entered in the registered maintained under Section 301 of the Act and exceeding the value of rupees five lakhs in respect of any party during the year, prima facie, have been made at prices which are reasonable having regard to the nature of the service and the prevailing market prices at the relevant time.
4. The company has not accepted deposits from public.
5. The company has an internal audit system, which in our opinion, is commensurate with the size and the nature of its business.
6. The Central Government has not prescribed the maintenance of cost records under Section 209(1)(d) of the Companies Act, 1956.
7.
 - a) According to the records of the company, provident fund, income tax and service tax was regularly deposited during the year with the appropriate authorities.
 - b) According to the information and explanations given to us, there are no undisputed amounts payable in respect of income tax and service tax, which are outstanding as at 31st March, 2012 for a period of more than six months from the date they become payable.
8. According to the records of the company and the information and explanations given to us, there are no dues of income tax and service tax which have not been deposited on account of any dispute.
9. The company does not have any accumulated losses at the end of the financial year and has not incurred cash loss during the current and immediately preceeding financial year.
10. The company does not have any borrowing from financial institutions, banks or by issue of debentures.
11. According to the information and explanations given to us, during the year, the company has not:
 - a) granted loans or advances on the basis of security by way of pledge of shares, debentures and other securities.
 - b) given any guarantees for loan taken by others from banks or financial institutions.
 - c) availed any term loan.
 - d) raised any short term funds .
 - e) issued any debentures.
 - f) raised monies by public issue.
12. The company is not a chit fund / nidhi / mutual benefit fund or society.
13. Based on our examination of records and information and explanations given to us, proper records have been maintained of the transactions and contracts relating to dealing in shares and securities and timely entries have been made therein. The shares and securities have been held by the company in its own name.
14. To the best of our knowledge and belief and according to the information and explanations given to us, no fraud on or by the company was noticed or reported during the year.
15. In our opinion and according to the information and explanations given to us, the nature of the company's business/ activities during the year have been such that clauses i, ii, xiii, and xviii of paragraph 4 of the Companies (Auditors Report) Order, 2003 are not applicable to the company.

For **BRAHMAYYA & CO.,**
Chartered Accountants
Firm Registration No. 000511S

P. BABU
Partner

Place : Chennai
Date : 21st May 2012

Membership No.203358

Balance Sheet

as at 31st March, 2012

(In ₹)

Particulars	Note	March 31, 2012		March 31, 2011	
I EQUITY AND LIABILITIES					
1) Shareholders' funds					
a) Share Capital	2	50,00,000		50,00,000	
b) Reserves and Surplus	3	13,28,21,347		12,37,19,407	
c) Money received against share warrants		-	13,78,21,347	-	12,87,19,407
2) Share application money pending allotment			-		-
3) Non-current liabilities					
a) Long Term Borrowings		-		-	
b) Deferred Tax Liabilities (Net)		-		-	
c) Other Long term liabilities		-		-	
d) Long-term provisions	4	2,73,858	2,73,858	1,21,722	1,21,722
4) Current liabilities					
a) Short Term Borrowings		-		-	
b) Trade payables	5	30,40,563		14,35,069	
c) Other current liabilities		-		-	
d) Short-term provisions	6	1,55,18,987	1,85,59,550	7,30,891	21,65,960
TOTAL			<u>15,66,54,755</u>		<u>13,10,07,089</u>
II. ASSETS					
1) Non-current assets					
a) Fixed Assets		-		-	
i) Tangible assets		-		-	
ii) Intangible assets		-		-	
iii) Capital work in progress		-		-	
iv) Intangible assets under development		-		-	
b) Non-current investments	7	2,87,11,110		94,22,915	
c) Deferred tax assets (net)	8	1,61,118		74,951	
d) Other Loans and advances	9	1,56,91,572	4,45,63,800	95,74,230	1,90,72,096
2) Current assets					
a) Current investments	10	61,96,846		7,08,02,082	
b) Inventories		-		-	
c) Trade receivables	11	1,14,12,405		88,70,906	
d) Cash and cash equivalents	12	8,15,538		7,08,201	
e) Short term loans and advances	13	9,32,51,193		3,10,01,887	
f) Other current assets	14	4,14,973	11,20,90,955	5,51,917	11,19,34,993
TOTAL			<u>15,66,54,755</u>		<u>13,10,07,089</u>

Significant Accounting Policies and Notes to the Accounts - 1 to 20

As per our report of even date attached
For **Brahmayya & Co.,**
Chartered Accountants
Firm Registration No. 000511S

A N Raju

P Babu

Partner
Membership No.203358
Chennai
21st May, 2012

K Sankarakumar

Directors

SUNDARAM FINANCE DISTRIBUTION LIMITED

Profit and Loss Statement for the Year Ended 31st March, 2012

(In ₹)

Particulars	Note	2011-12	2010-11
REVENUE :			
Revenue from operations	15	7,56,38,609	7,78,68,355
Other Income	16	97,47,379	67,76,70,497
Total Revenue	(A)	<u>8,53,85,988</u>	<u>75,55,38,852</u>
EXPENSES:			
Employee benefits	17	65,60,808	54,60,056
Administrative and Other expenses	18	3,91,84,153	3,33,03,657
Provisions and Write Off	19	42,97,442	1,68,473
Total Expenses	(B)	<u>5,00,42,403</u>	<u>3,89,32,186</u>
Profit before tax	(A-B)	3,53,43,585	71,66,06,666
Tax expense:			
Current tax		1,18,00,000	17,34,00,000
Deferred tax		(86,168)	(50,278)
		<u>1,17,13,832</u>	<u>17,33,49,722</u>
Profit after tax		<u>2,36,29,753</u>	<u>54,32,56,944</u>
Earnings per equity share:			
Number of equity shares		500,000	500,000
Basic		47.26	1086.51
Diluted		47.26	1086.51
Significant Accounting Policies and Notes to the Accounts - 1 to 20			

As per our report of even date attached
For **Brahmayya & Co.**,
Chartered Accountants
Firm Registration No. 000511S
P Babu
Partner
Membership No.203358
Chennai
21st May, 2012

A N Raju

K Sankarakumar

Directors

NOTES TO THE ACCOUNTS

Note 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 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 amounts 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 the financial statements are based upon the management's evaluation of the relevant facts and circumstances as of the date of financial statements.

- 1.2 Income Recognition:

Income in respect of insurance agency commission/services rendered and brokerage is accounted on accrual basis.

- 1.3 Valuation of Investments:

Long Term investments are stated at cost. Provision for decline in value, other than temporary, is considered wherever necessary.

Current Investments are valued at lower of Cost and Market Value/ Net Asset Value.

- 1.4 Employee Benefits:

- A) Short Term Employee Benefits:

Short Term Employee Benefits for services rendered by employees are recognized during the period when the services are rendered.

- B) Post employment benefits:

Defined Contribution Plan

- i) Provident Fund

The Company contributes to a government administered provident Fund and Pension Fund under the Employees Provident Fund Act on behalf of its employees.

Defined Benefit Plan

- i) Gratuity

The Company makes an annual contribution to a Gratuity Fund administered by trustees and managed by Life Insurance Corporation of India (LIC). The company accounts its liability based on an actuarial valuation, as at the balance sheet date, determined every year by LIC using the Projected Unit Credit method.

NOTES TO THE ACCOUNTS (Contd.)

ii) Leave Encashment

Liability on account of encashment of leave to employees is provided on the basis of an actuarial valuation.

The expenses and actuarial gain/ loss on account of the above benefit plans are recognized in the profit and loss account on the basis of an actuarial valuation.

C) Other Long Term Employee Benefits:

The liability in respect of other long term benefits like Employee Assured Bonus Scheme, reimbursement of medical expenses and entitlement of sick leave has been provided on the basis of actuarial valuation obtained at the Balance Sheet date.

1.5 Taxation:

Current tax is provided on the taxable income for the year. Deferred tax liabilities arising from timing differences have been fully provided for. Deferred tax assets are recognized on consideration of prudence.

1.6 Impairment of Assets:

The carrying amounts of assets are reviewed at each balance sheet date to ascertain impairment based on internal / external factors. An impairment loss is recognized when the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the higher of the net selling price of the assets and their value in use.

1.7 Provisions:

Provisions are recognized when the company has present legal or constructive obligations, as a result of past events, for which it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made for the amount of the obligation.

NOTES TO THE ACCOUNTS (Contd.)

BALANCE SHEET

Note 2

SHARE CAPITAL

(In ₹)

Particulars	31.03.2012	31.03.2011
Authorised		
30,00,000 Equity shares of face value of ₹ 10/- each (Previous Year - 30,00,000 Equity shares of face value of ₹ 10/- each)	3,00,00,000	3,00,00,000
Issued, Subscribed and fully paid up		
5,00,000 Equity Shares of face value of ₹ 10/- each	50,00,000	50,00,000
Reconciliation of number of shares	Nos.	Nos.
Shares outstanding at the beginning of the year	5,00,000	5,00,000
Add: Shares issued during the year	—	—
Less: Shares bought back during the year	—	—
Shares outstanding at the end of the year	5,00,000	5,00,000

Details of number of shares held by shareholders holding more than 5% shares are set out below:

Name of the Shareholder	Status	No. of Shares	% held as at	No. of Shares	% held as at
		31.03.2012		31.03.2011	
Sundaram Finance Limited*	Holding Company	5,00,000	100%	5,00,000	100%

* include 6 equity shares held by nominees of Sundaram Finance Limited

NOTES TO THE ACCOUNTS (Contd.)
Note 3
RESERVES AND SURPLUS

(In ₹)

Particulars	Opening Balances as on 01.04.2011	Additions during the year	Deductions /Appropriation during the year	Closing Balances as on 31.03.2012
General Reserve	12,14,00,000	1,00,00,000	–	13,14,00,000
Surplus *	23,19,407	2,36,29,753	2,45,27,813	14,21,347
Total	12,37,19,407	3,36,29,753	2,45,27,813	13,28,21,347

Particulars	Opening Balances as on 01.04.2010	Additions during the year	Deductions/Appropriation during the year	Closing Balances as on 31.03.2011
General Reserve	1,70,00,000	10,44,00,000	–	12,14,00,000
Surplus *	1,64,87,457	54,32,56,944	55,74,24,994	23,19,407
Total	3,34,87,457	64,76,56,944	55,74,24,994	12,37,19,407

* Surplus Appropriation includes

(In ₹)

Particulars	31.03.2012	31.03.2011
General Reserve	1,00,00,000	10,44,00,000
Dividend	1,25,00,000	38,85,00,000
Dividend Distribution Tax	20,27,813	6,45,24,994
Total	<u>2,45,27,813</u>	<u>55,74,24,994</u>

Note 4
LONG TERM PROVISIONS

(In ₹)

Particulars	31.03.2012	31.03.2011
Provision for Employee Benefits	2,73,858	1,21,722

Note 5
TRADE PAYABLES *

(In ₹)

Particulars	31.03.2012	31.03.2011
- For Expenses	28,77,481	13,46,410
- For Others	1,63,082	88,659
Total	<u>30,40,563</u>	<u>14,35,069</u>

* There are no amounts due and outstanding to be credited to Investor Education and Protection Fund.

NOTES TO THE ACCOUNTS (Contd.)

Note 6

SHORT-TERM PROVISIONS

(In ₹)

Particulars	31.03.2012	31.03.2011
Provision for Employee Benefits	9,91,174	7,30,891
Others		
- Proposed Dividend	1,25,00,000	–
- Dividend Distribution Tax	20,27,813	–
Total	1,55,18,987	7,30,891

Note 7

NON-CURRENT INVESTMENTS-OTHERS

(In ₹)

Particulars	31.03.2012	31.03.2011
a) Investments in Equity Instruments	2,15,36,110	44,22,915
b) Investments in Bonds	71,75,000	50,00,000
Total	2,87,11,110	94,22,915

(In ₹)

Particulars	Face Value	Holding	Book Value	Holding	Book Value
a) Investments in Equity Instruments					
i) Subsidiary Companies (Unquoted)					
Caltec Servicez Private Limited	10	1,27,500	2,15,34,550	–	–
Infreight Logistics Solutions Limited	10	56,11,200	44,81,615	44,10,000	44,21,355
ii) Other Companies (Unquoted)					
UMW Industries Limited. *	10	78,000	1,560	78,000	1,560
* Investments are carried at other than cost			2,60,17,725		44,22,915
Less: Provision for investment - Infreight Logistics Solutions Limited			44,81,615		–
			2,15,36,110		44,22,915
b) Investments in Bonds					
Non-Trade (Quoted)					
Indian Railway Finance Corporation Limited	1000	2,175	21,75,000	–	–
Rural Electrification Corporation Limited	10000	500	50,00,000	500	50,00,000
			71,75,000		50,00,000

(In ₹)

Particulars	Market Value		
Aggregate amount of Quoted Investments	21,96,728	21,75,000	–
Aggregate amount of Unquoted Investments		2,65,36,110	94,22,915

NOTES TO THE ACCOUNTS (Contd.)
Note 8
DEFERRED TAX ASSET

Particulars	(In ₹)	
	31.03.2012	31.03.2011
Long Term Capital Loss	1,04,810	-
Diminution in value of investments	5,418	65,173
Leave Salary	20,384	9,778
Short Term Capital Loss	30,506	-
Total	<u>1,61,118</u>	<u>74,951</u>

Note 9
LONG-TERM LOANS AND ADVANCES

Particulars	(In ₹)	
	31.03.2012	31.03.2011
Unsecured, Considered Good		
Loans and advances to related parties		
To Subsidiary Company	50,00,000	-
- Employee loans	90,688	92,772
- Advance Income Tax and Tax deducted at source (net)	1,05,64,898	94,64,098
- Others	35,986	17,360
Total	<u>1,56,91,572</u>	<u>95,74,230</u>

Advance payment of Income Tax and Tax deducted at source is net of
Provision for Income Tax of ₹ 19,76,87,894/- (Previous Year ₹ 18,58,87,894 /-)

NOTES TO THE ACCOUNTS (Contd.)

Note 10

CURRENT INVESTMENTS-OTHERS

(In ₹)

Particulars	31.03.2012			31.03.2011	
	Face Value	Holding	Book Value	Holding	Book Value
Unquoted, Valued at cost					
Investments in Mutual Funds:					
Sundaram Money Fund-Institutional	10	47,215	4,76,653	–	–
Kotak Floater Short Term	10	72,842	7,36,893	–	–
Sundaram PSU Oppurtunities Fund	10	5,00,000	50,00,000	5,00,000	50,00,000
Sundaram Fixed Term Plan - AR 367 Days – Growth	10	–	–	20,00,000	2,00,00,000
TATA Fixed Maturity Plan Series 29 Scheme B – Growth	10	–	–	10,00,000	1,00,00,000
TATA Fixed Income Portfolio Fund	10	–	–	3,98,478	40,78,298
Sundaram Interval Fund	10	–	–	7,50,000	75,00,000
Sundaram Ultra Short Term Fund	10	–	–	18,54,935	1,94,12,888
Canara Robeco Floating Rate Fund	10	–	–	2,10,113	30,00,000
IDFC Savings Advantage Fund	1000	–	–	2,011	20,11,769
Less:Provision for diminution			16,700		2,00,873
			61,96,846		7,08,02,082

Particulars			
Aggregate amount of Unquoted Investments		61,96,846	7,08,02,082

Note 11

TRADE RECEIVABLES

(In ₹)

Particulars	31.03.2012	31.03.2011
Unsecured Considered Good		
Service Income	98,59,645	-
Insurance Commission	3,73,972	66,37,874
Brokerage	11,78,788	22,33,032
	1,14,12,405	88,70,906

Note 12

CASH AND CASH EQUIVALENTS

(In ₹)

Particulars	31.03.2012	31.03.2011
Balances with Banks	8,15,538	7,08,201

SUNDARAM FINANCE DISTRIBUTION LIMITED

NOTES TO THE ACCOUNTS (Contd.)
Note 13
SHORT-TERM LOANS AND ADVANCES

(In ₹)

Particulars	31.03.2012	31.03.2011
Unsecured, Considered Good		
Loans and advances to related parties		
To Holding Company	6,26,00,000	1,20,00,000
To Subsidiary Company	–	1,90,00,000
Others	3,00,00,000	–
Service Tax Input Credit	6,49,109	–
Employee loan	2,084	1,887
Total	<u>9,32,51,193</u>	<u>3,10,01,887</u>

Note 14
OTHER CURRENT ASSETS

(In ₹)

Particulars	31.03.2012	31.03.2011
Interest Receivable	4,14,973	5,51,917
Total	<u>4,14,973</u>	<u>5,51,917</u>

PROFIT AND LOSS STATEMENT
Note 15
REVENUE FROM OPERATIONS:

(In ₹)

Particulars	31.03.2012	31.03.2011
Service Income	3,87,91,844	–
Insurance Commission	2,32,72,884	6,02,24,397
Brokerage	1,35,73,881	1,76,43,958
	<u>7,56,38,609</u>	<u>7,78,68,355</u>

NOTES TO THE ACCOUNTS (Contd.)

Note 16

OTHER INCOME

(In ₹)

Particulars	31.03.2012	31.03.2011
Interest Income	58,82,011	1,97,26,084
Dividend Income	12,04,347	24,15,853
Net gain on sale of Current investments	–	1,36,410
Net gain on sale of Non-Current investments	26,37,800	65,52,93,736
Other non-operating Income	23,221	98,414
	<u>9,747,379</u>	<u>677,670,497</u>

Note 17

EMPLOYEE BENEFITS

(In ₹)

Particulars	31.03.2012	31.03.2011
Salaries, allowances and Bonus	61,36,622	49,59,434
Company's contribution to Provident Fund and Gratuity	3,08,522	4,04,897
Staff Welfare Expenses	1,15,664	95,725
	<u>65,60,808</u>	<u>54,60,056</u>

Defined Contribution Plan:

The Company has recognised the following amounts in the Profit and Loss statement, which are included in Employee benefits in Note No. 17

(In ₹)

Particulars	2011-12	2010-11	2009-10
Contribution to Provident Fund	1,05,478	92,874	30,859
Contribution to Pension fund	1,22,080	1,18,277	49,355
Contribution to Employees' State Insurance	59,321	87,516	–

NOTES TO THE ACCOUNTS (Contd.)

Defined Benefit Plans	(In ₹)	
Description of Benefit Plans	2011-2012	2010-2011
Reconciliation of opening and closing balances of the present value of the defined benefit obligation		
Opening Balance :Present value of obligation	2,17,223	1,27,490
Current service cost	17,378	10,199
Interest cost	44,053	34,307
Benefits paid	(40,231)	–
Actuarial (gain) / loss on obligations	(62,396)	45,227
Closing Balance :Present value of obligation	1,76,027	2,17,223
Reconciliation of opening and closing balances of the fair value of plan assets		
Opening Balance :Fair value of plan assets	2,34,583	1,71,915
Expected return on plan assets	17,661	17,360
Contributions made	–	45,308
Benefits paid	(40,231)	–
Actuarial gain / (loss) on plan assets	–	–
Closing Balance : Fair value of plan assets	2,12,013	2,34,583
Reconciliation of present value of defined benefit obligation and fair value of plan assets to the assets and liabilities recognised in the Balance sheet		
Closing Balance :Present value of obligation	1,76,027	2,17,223
Closing Balance :Fair value of plan assets	2,12,013	2,34,583
Unrecognised past service cost	–	–
Net Asset/(Liability) recognised in Balance Sheet	35,986	17,360
Expenses recognised in the Profit and Loss account		
Current service cost	44,053	34,307
Interest cost	17,378	10,199
Expected return on plan assets	(17,661)	(17,360)
Net actuarial (gain) / loss recognised	(62,396)	45,227
Total Expenses	(18,626)	72,373
Actuarial assumptions *		
Discount rate	8%	8%
Rate of return on plan assets	8%	8%
Rate of increase in compensation levels	7%	8%
Attrition Rate	1-3%	1-3%

*The estimates of future salary increases, considered in actuarial valuation, takes account of inflation, seniority, promotion and other relevant factors like supply and demand in the employment market.

NOTES TO THE ACCOUNTS (Contd.)

Amount for the current and previous two years is as follows:

(In ₹)

Particulars	2011-12	2010-11	2009-10
Defined Benefit Obligation	1,76,027	2,17,223	1,27,490
Plan Assets	2,12,013	2,34,583	1,71,915
Surplus / (deficit)	35,986	17,360	44,425
Experience adjustments on plan liabilities	62,396	45,227	–
Experience adjustments on plan assets	40,231	–	–

The present value of obligation towards compensated absences, as per actuarial certificate, as on 31.03.2012 was ₹ 62,827 (31.03.2011 – ₹ 30,136) and is provided for in the books of account.

Other Long Term Benefits

The Company's liability towards other long term benefits are given below:

(In ₹)

Particulars	2011-12	2010-11	2009-10
Staff Medical Scheme	59,614	27,924	3,808
Employee Assured Bonus Scheme	3,36,368	1,21,722	–

Note 18

ADMINISTRATIVE AND OTHER EXPENSES

(In ₹)

Particulars	31.03.2012	31.03.2011
Outsourcing cost	3,88,97,005	3,31,21,948
Rates and Taxes	11,068	17,488
Miscellaneous Expenses	2,76,080	1,64,221
	<u>3,91,84,153</u>	<u>3,33,03,657</u>
Miscellaneous expenses include Remuneration to Auditors towards:		
Audit Fee		
Statutory Audit	55,000	45,000
Tax Audit	20,000	15,000

Note 19

PROVISIONS AND WRITE OFF (NET)

(In ₹)

Particulars	31.03.2012	31.03.2011
Provision for investment in Subsidiary company	44,81,615	–
Diminution in value of investments	16,700	2,00,873
Less: Reversal of diminution in value of investments	(2,00,873)	(32,400)
	42,97,442	1,68,473

NOTES TO THE ACCOUNTS (Contd.)**20 GENERAL**

- 20.1 The company is engaged primarily in the business of Agency and Retail Distribution. There are no separate reportable segments as per Accounting Standard AS 17 'Segment Reporting'.
- 20.2 Related Party disclosures: In accordance with the Accounting Standard 18 on 'Related Party disclosures', the details of related parties and the transactions with related parties are given below:

Related Parties:**Holding Company:**

Sundaram Finance Limited

Subsidiaries:

Infreight Logistics Solutions Limited

Sundaram Parekh Warehousing Services Limited

Caltec Servicez Private Limited

Fellow Subsidiaries:

Sundaram BNP Paribas Home Finance Limited

Sundaram Asset Management Company Limited

Sundaram Trustee Company Limited

LGF Services Limited

Sundaram Infotech Solutions Limited

Sundaram Business Services Limited

Professional Management Consultants Limited

Sundaram BNP Paribas Fund Services Limited

Sundaram Insurance Broking Services Limited

Associate:

Sundaram Mutual Fund

NOTES TO THE ACCOUNTS (Contd.)

The nature and volume of transactions of the company during the year, with the above related parties are as follows: (In ₹)

Nature of Transactions	Holding Company	Subsidiaries	Associate	Total
Expenses				
Sundaram Finance Ltd.	14,18,546			14,18,546
- Sourcing Fees	(13,34,828)			(13,34,828)
Income				
Sundaram Finance Limited	49,60,850			49,60,850
Interest on Inter Corporate Deposit	(1,80,45,216)			(1,80,45,216)
Infreight Logistics Solutions Limited		3,70,783		3,70,783
Interest on Inter-Corporate loan		(15,19,999)		(15,19,999)
Caltec Servicez Private Limited		1,52,459		1,52,459
Interest on Inter-Corporate loan		(-)		(-)
Assets				
Investment in Equity Shares				
Infreight Logistics Solutions Limited		44,81,615		44,81,615
Caltec Servicez Private Limited		2,15,34,550		2,15,34,550
Sundaram Mutual Fund				
- Investment in Trust Securities			8,04,70,070	8,04,70,070
			(57,18,18,381)	(57,18,18,381)
- Disinvestment in Trust Securities			12,69,23,005	12,69,23,005
			(52,48,73,093)	(52,48,73,093)
- Investment in Trust Securities at the end of the year			54,59,953	54,59,953
			(5,19,12,889)	(5,19,12,889)
Inter Corporate Deposit				
Sundaram Finance Limited				
- Investment	11,05,00,000			11,05,00,000
	(50,00,00,000)			(50,00,00,000)
- Disinvestment	5,99,00,000			5,99,00,000
	(49,85,00,000)			(49,85,00,000)
- Outstanding at end of the year	6,26,00,000			6,26,00,000
	(1,20,00,000)			(1,20,00,000)
- Interest Receivable	390			390
	(27,123)			(27,23)

NOTES TO THE ACCOUNTS (Contd.)

(In ₹)

Nature of Transactions	Holding Company	Subsidiaries	Associate	Total
Inter Corporate loan				
Infreight Logistics Solutions Limited				
- Repayment		1,90,00,000		1,90,00,000
		(-)		(-)
- Outstanding		-		-
		(1,90,00,000)		(190,00,000)
- Interest Receivable		-		-
		(3,74,794)		(3,74,794)
Caltec Servicez Pvt Ltd				
- Disbursement		50,00,000		50,00,000
		(-)		(-)
- Outstanding		50,00,000		50,00,000
		(-)		(-)
- Interest Receivable		1,49,180		1,49,180
		(-)		(-)
Liabilities				
Sundaram Finance Ltd.				
- Equity Share Holdings	50,00,000			50,00,000
	(50,00,000)			(50,00,000)
- Dividend Payable	1,25,00,000			1,25,00,000
	(-)			(-)
- Interim Dividend Paid	-			-
	(38,85,00,000)			(38,85,00,000)
- Sourcing Fees payable	3,69,356			3,69,356
	(3,17,226)			(3,17,226)

No amount has been written off/written back during the year.

Previous year figures are given in brackets.

NOTES TO THE ACCOUNTS (Contd.)

20.3 Other commitment includes :

(In ₹)

Particulars	31.03.2012	31.03.2011
Investment in Equity Shares		
- Caltec Servicez Private Ltd	1,96,00,000	—
Inter-corporate Loan		
- Caltec Servicez Private Ltd	1,25,00,000	—

20.4 Earnings Per Share (Basic and diluted)

(In ₹)

Particulars	2011-12	2010-11
A. Profit for the year after taxation (in ₹)	2,36,29,753	54,32,56,944
B. Weighted average no. of equity shares	5,00,000	5,00,000
C. Basic and diluted earnings per share (A/B) (in ₹)	47.26	1086.51
D. Dividend Proposed/Paid (₹)	1,25,00,000	38,85,00,000
E. Dividend per share (₹)	25.00	777.00

20.5 There is no amount due to Small Scale Industries in terms of "The Micro, Small and Medium Enterprises Development Act, 2006".

20.6 The presentation in the Balance Sheet, Profit and Loss Statement and Notes to the Accounts has been in terms of the Revised Schedule VI to the Companies Act, 1956 which has become mandatory with effect from 01st April, 2011. Previous year's figures have been regrouped / reclassified wherever necessary to conform to the current year's presentation.

20.7 Figures have been rounded off to the nearest rupee.

Signatures to Schedules 1 to 20

As per our report of even date attached
For **Brahmayya & Co.**,
Chartered Accountants
Firm Registration No. 000511S
P Babu
Partner
Membership No.203358
Chennai
21st May, 2012

A N Raju
K Sankarakumar
Directors

CASH FLOW STATEMENT

	2011-12 (₹)	2010-11 (₹)
A) CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit	2,36,29,753	54,32,56,944
Add: Provision for Taxation (including Deferred Tax)	1,17,13,832	17,33,49,722
	3,53,43,585	71,66,06,666
Less: Interest Income	(58,82,011)	(19,726,084)
Less: Dividend Income	(12,04,347)	(2,415,853)
Less: Net gain on sale of investments	(26,37,800)	(655,430,146)
Add: Diminution in value of investment	42,97,442	1,68,473
	2,99,16,869	3,92,03,056
Operating Profit Before Working Capital Changes		
(Increase)/Decrease in Long Term Loans and Advances	(95,17,342)	(6,607,074)
(Increase)/Decrease in Short Term Loans and Advances	(62,2,49,306)	(1,498,473)
(Increase)/Decrease in Trade Receivables	(25,41,499)	(1,395,516)
(Increase)/Decrease in Other Current Assets	1,36,944	1,75,452
Increase / (Decrease) in Long Term Provisions	1,52,136	1,21,722
Increase / (Decrease) in Short Term Provisions	2,60,283	3,78,912
Increase / (Decrease) in Trade Payables	16,05,494	(225,325)
Cash generated from Operations	(7,21,53,290)	(90,50,301)
Direct Taxes Paid	(84,00,000)	(16,97,00,000)
NET CASH FROM OPERATING ACTIVITIES (A)	(5,06,36,421)	(13,95,47,245)
B) CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Non-Current Investments	(3,17,06,153)	(94,21,355)
Sale of Non-Current Investments (net proceeds)	1,24,17,958	37,50,000
Purchase of Current Investments	(13,47,27,496)	(65,49,23,402)
Sale of Current Investments (net proceeds)	19,50,35,291	58,89,20,446
Interest Received	58,82,011	1,97,26,084
Dividend Received	12,04,347	24,15,853
Net gain/loss on sale of investments	26,37,800	65,54,30,146
NET CASH FROM INVESTING ACTIVITIES (B)	5,07,43,758	60,58,97,772
C) CASH FROM FINANCING ACTIVITIES		
Dividend paid	-	(46,61,43,484)
NET CASH FROM FINANCING ACTIVITIES (C)	-	(46,61,43,484)
Net Increase in Cash and Cash Equivalents (A)+(B)+(C)	1,07,337	2,07,043
Cash and Cash Equivalents at the Beginning of the Period	7,08,201	5,01,158
Cash and Cash Equivalents at the end of the period	8,15,538	7,08,201
Components of Cash and Cash Equivalents at the end of the period		
Current Account with Banks	8,15,538	7,08,201
Cash, Stamps and Stamp Papers on Hand	-	-

As per our report of even date attached
For **Brahmayya & Co.**,
Chartered Accountants
Firm Registration No. 000511S

P Babu

Partner
Membership No. 203358
Chennai
21st May, 2012

A N Raju

K Sankarakumar

Directors

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

1	Name of the Subsidiary Company	INFREIGHT LOGISTICS SOLUTIONS LIMITED	SUNDARAM PAREKH WAREHOUSING SERVICES LIMITED	CALTEC SERVICEZ PRIVATE LIMITED
2	Financial year of the Subsidiary ended on	31.03.2012	31.03.2012	31.03.2012
3	Holding Company's interest in the Subsidiary	56,11,200 Equity shares of ₹ 10/- each (100%)	51,000 Equity shares of ₹ 10/- each (51%)	1,27,500 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)	(₹ in lakh)	(₹ in lakh)
	a) For the financial year of the Subsidiary Company	177.39	1.83	(0.64)
	b) For the Previous financial years Since it became a Subsidiary Company	(100.05)	(0.29)	Nil
5	Net aggregate amount of the profits of the subsidiary dealt with in the 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	Nil	Nil
	b) For the Previous financial years Since it became a Subsidiary Company	Nil	Nil	Nil

Board of Directors

T. T. Srinivasaraghavan	Chairman
Rahul Lalbhai Mehta	Managing Director
Srinivas Acharya	
P Viswanathan	

Audit Committee

T. T. Srinivasaraghavan	Chairman
Rahul Lalbhai Mehta	
Srinivas Acharya	

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

INFREIGHT LOGISTICS SOLUTIONS LIMITED

A subsidiary of



SUNDARAM FINANCE LIMITED

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Directors' Report

Your Directors have pleasure in presenting the Twelfth Annual Report and Audited Accounts of the Company for the year ended 31st March, 2012.

The summarised financial results of the Company are given hereunder:

(₹ in lakhs)

Particulars	Year ended 31.03.2012	Year ended 31.03.2011
Total Income	869.39	1916.37
Total Expenditure	660.30	2043.68
Profit before Tax	209.09	(127.31)
Taxation	31.70	—
Profit after Tax	177.39	(127.31)

REVIEW OF OPERATIONS

During the year, Sundaram Finance Distribution Limited (SFDL), your holding company, acquired the balance 21.41% stake in your company from the promoters. Consequent to the said acquisition, your company became a wholly-owned subsidiary of SFDL and therefore of Sundaram Finance Limited.

Your directors would like to inform you that transition of select clients to TVS Logistics Services Limited has been completed and the consideration received has been utilized for the purpose of repaying debts to Bank as well as inter corporate loans taken to meet working capital requirements of the company.

DIRECTOR

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

During the year Sri. Mohan Krishnan relinquished the office of Directorship with effect from 1st November 2011.

Smt Rina Mehta relinquished her office of directorship with effect from 21st March 2012.

Your Directors place on record their appreciation for the valuable service rendered by Sri Mohan Krishnan and Smt Rina Mehta.

Sri P Viswanathan was co-opted as an Additional Director with effect from 21st March 2012.

DIRECTORS' RESPONSIBILITY STATEMENT

Your directors confirm that:

- in the preparation of the annual accounts, the applicable accounting standards have been followed;
- 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 profit of the Company for that period;

- 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
- 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 year 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.

SUBSIDIARY

Sundaram Parekh Warehousing Services Limited was incorporated in August 2010 with the objective of providing full fledged high-end warehousing services across the country. This year, in view of the market not being very conducive, the company has stayed away from taking on any large warehousing services. On the other hand, the company recorded a modest turnover from the transportation segment, to the tune of ₹ 0.38 cr and. with a profit of ₹ 0.04 cr.

ACKNOWLEDGEMENT

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

Chennai 600 002
Date: 07.05.2012

For and on behalf of the Board
T.T. Srinivasaraghavan
Chairman

Auditors' Report

To the members of Infreight Logistics Solutions Limited

REPORT ON FINANCIAL STATEMENT

We have audited the accompanying financial statements of Infreight Logistics Solutions Limited, ("the Company") which comprises the Balance Sheet as at 31st March 2012, statement of Profit and Loss Account and Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

Management is responsible for the preparation of these financial statements that give true and fair view of the financial position, financial performance and cash flows of the Company in accordance with Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956, ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give true and fair view and are free from material misstatement, whether due to fraud or error.

AUDITORS' RESPONSIBILITY:

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with 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 of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosure in the financial statements. The procedure selected depends on auditor's judgment, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation and fair presentation of the financial statements in order to design audit procedure that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness

of the accounting estimates made by 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 of 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 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 the affairs of the Company as at 31st March, 2012;
- b. In the case of the statement of Profit and Loss, of the profit for the year ended on that date; and
- c. in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

REPORT ON LEGAL AND REGULATORY REQUIREMENT:

1. As required by the Companies (Auditors' Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956 ("the Act"), we give in the Annexure, a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by Section 227(3) of the Act, 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 purposes of our audit;
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;

- c) The Balance Sheet, statement of Profit and Loss and cash flow statement dealt with by this report are in agreement with the books of account;
- d) In our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956;
- e) On the basis of the written representations received from the directors as on 31st March, 2012 and taken on record by the Board of Directors, none of the directors is

disqualified as on 31st March 2012 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.

For **Dharmendra & Co.**,
Chartered Accountants
Firm Registration No. 112827W

Dharmendra C. Shah
Proprietor
Membership No. 040234

Place : Chennai
Date : 7th May, 2012

Annexure To The Auditors' Report referred to in Paragraph 1 of Our Report of Even Date

Annexure referred to in paragraph 1 under the heading "Report on other legal and regulatory requirements" of our report of even date.

- i. a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- b) The Company has a regular program for verification of its fixed assets by which all fixed assets are verified annually. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such physical verification during the year.
- c) As explained to us substantial part of the fixed assets have not been sold during the year.
- ii. The Company does not have any inventories.
- iii. a) The Company has granted interest bearing loan to fifty one percent subsidiary, covered in the register maintained under Section 301 of the Act. The maximum amount involved during the year was ₹ 10,00,000/- and the year end balance outstanding was Nil.
- b) The terms and conditions of the loans given are prima facie not prejudicial to the interest of the Company.
- c) The Company has received the principal and interest amount of such loan before the year end.
- d) The Company has not taken loans, secured or unsecured, from any party covered in the register maintained under Section 301 of the Act. Accordingly, clauses (iii) (e) to (iii) (g) of paragraph 4 of the said Order are not applicable to the Company for the current year.
- iv. In our opinion and according to the information and the explanations given to us and having regard to the explanation there are adequate internal control procedures commensurate with the size of the Company and the nature of its business with regard to purchase of fixed assets and receipts from services rendered. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal controls.
- v. According to the 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.
- vi. The Company has not accepted any deposits from the public and hence directives of the Reserve Bank of India and the provisions of Section 58A and 58AA of the Act and the rules framed there under are not applicable to the Company.
- vii. The Company has an internal audit system commensurate with the size & nature of its business.
- viii. As explained to us, the maintenance of cost records has not been prescribed by the Central Government under Section 209(1)(d) of the Act in respect of Company's operations.
- ix. a) The Company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, income tax, service tax and other material statutory dues applicable to it. According to the information and explanations given to us, no undisputed amounts payable in respect of applicable statutory dues were in arrears for a period exceeding six months as at the end of the financial year from the date they became payable.
- b) According to the information and explanations given to us, there are no dues of sales tax, income tax, service tax not been deposited on account of any dispute.
- x. a) The Company has accumulated loss of ₹ 10,49,94,957/- at the end of the financial year 2011-2012 and the same is more than fifty per cent of its net worth as on 31st March, 2012.
- b) The Company has not incurred cash loss during the year, however has incurred cash loss 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 the banks. There are no borrowings from financial institutions or in the form of debentures.
- xii. The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- xiii. In our opinion, the Company is not a chit fund or a nidhi / mutual benefit fund / society. Therefore, the provisions of clause 4(xiii) of the Order are not applicable to the Company.
- xiv. The Company is not in the business of dealing or trading in shares, securities, and other investments.
- xv. The Company has not given any guarantee for loans taken by others.
- xvi. The Company has not taken any term loan during the year.
- xvii. According to the information and explanations given to us and on an overall examination of the Balance Sheet, the funds raised on short term basis have not been applied for payment of long term assets.
- xviii. In our opinion and according to the information and explanations given to us, the Company has not made preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Act.
- xix. The Company has not issued any debentures during the year.
- xx. The Company has not raised any money by way of public issue during the year.
- xxi. 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 **Dharmendra & Co.,**
Chartered Accountants
Firm Registration No. 112827W
Dharmendra C. Shah
Proprietor
Membership No. 040234

Place : Chennai
Date : 7th May, 2012

Balance Sheet

as at 31st March, 2012

(In ₹)

Particulars	Note	March 31, 2012	March 31, 2011
I. EQUITY AND LIABILITIES			
1) Shareholders' funds			
a) Share capital	3	5,61,12,000.00	5,61,12,000.00
b) Reserves and surplus	4	(10,49,94,956.98)	(12,27,34,224.80)
c) Money received against share warrants		—	—
		<u>(4,88,82,956.98)</u>	<u>(6,66,22,224.80)</u>
2) Share application money pending allotment—			
		—	—
3) Non-current liabilities			
a) Long-term borrowings	—	—	—
b) Deferred tax liabilities (Net)	—	—	—
c) Other Long term liabilities	—	—	—
d) Long-term provisions	—	—	—
		—	—
4) Current liabilities			
a) Short-term borrowings	5	5,95,00,000.00	12,44,68,338.14
b) Trade payables	6	6,11,135.00	84,91,268.00
c) Other current liabilities	7	7,52,391.88	54,72,084.53
d) Short-term provisions	—	—	—
		<u>6,08,63,526.88</u>	<u>13,84,31,690.67</u>
TOTAL		<u>1,19,80,569.90</u>	<u>7,18,09,465.87</u>
II. ASSETS			
1) Non-current assets			
a) Fixed assets			
i) Tangible assets	8	9,69,205.00	17,74,343.00
ii) Intangible assets	—	—	—
iii) Capital work-in-progress	—	—	—
iv) Intangible assets under development	—	—	—
b) Non-current investments	9	5,10,000.00	5,10,000.00
c) Deferred tax assets (net)	—	—	—
d) Long-term loans and advances	—	—	—
e) Other non-current assets	—	—	—
		<u>14,79,205.00</u>	<u>22,84,343.00</u>
2) Current assets			
a) Current investments	—	—	—
b) Inventories	—	—	—
c) Trade receivables	10	80,87,263.00	5,96,94,805.84
d) Cash and cash equivalents	11	15,71,771.90	27,66,511.11
e) Short-term loans and advances	12	8,42,330.00	70,63,805.92
f) Other current assets	—	—	—
		<u>1,05,01,364.90</u>	<u>6,95,25,122.87</u>
TOTAL		<u>1,19,80,569.90</u>	<u>7,18,09,465.87</u>

See accompanying notes forming part of financial statements

In terms of our report attached

For **Dharmendra & Co.**,
Chartered Accountants
Firm Registration No.112827W
Dharmendra C. Shah
Proprietor
Membership No. 040234
Place : Chennai
Date : 7th May, 2012

T.T. Srinivasaraghavan
Chairman

Rahul Mehta
Managing Director

Srinivas Acharya
Director

P. Viswanathan
Director

P.N. Srikant
Secretary

INFREIGHT LOGISTICS SOLUTIONS LIMITED

Profit and Loss Statement for the Year Ended 31st March, 2012

(In ₹)

Particulars	Note	2011 - 12	2010 - 11
I. Revenue from operations	13	8,67,94,489.40	19,02,13,629.45
II. Other income	14	1,45,150.06	14,23,397.40
III. Total Revenue (I + II)		<u>8,69,39,639.46</u>	<u>19,16,37,026.85</u>
IV. Expenses:			
Cost of Services	15	2,88,59,956.40	16,20,56,226.76
Purchases of Stock-in-Trade	-	-	-
Changes in inventories of finished goods work-in-progress and Stock-in-Trade	-	-	13,14,000.00
Employee benefits expenses	16	66,78,221.00	1,23,88,894.00
Finance costs	17	58,82,980.13	1,22,95,642.03
Depreciation and amortization expense	8	4,59,055.18	7,73,953.00
Other expenses	18	2,41,50,158.93	1,55,39,564.92
Total expenses		<u>6,60,30,371.64</u>	<u>20,43,68,280.71</u>
V. Profit before exceptional and extraordinary items and tax (III-IV)		2,09,09,267.82	(1,27,31,253.86)
VI. Exceptional items		-	-
VII. Profit before extraordinary items and tax (V-VI)		2,09,09,267.82	(1,27,31,253.86)
VIII. Extraordinary Items		-	-
IX. Profit before tax (VII-VIII)		2,09,09,267.82	(1,27,31,253.86)
X. Tax expense:			
1) Current tax (MAT)		31,70,000.00	-
2) Deferred tax		-	-
XI Profit (Loss) for the period from continuing operations (IX-X)		<u>1,77,39,267.82</u>	<u>(1,27,31,253.86)</u>
XII Profit/(loss) from discontinuing operations		-	-
XIII Tax expense of discontinuing operations		-	-
XIV Profit/(loss) from Discontinuing operations (after tax) (XII-XIII)		-	-
XV Profit (Loss) for the period (XI + XIV)		<u>1,77,39,267.82</u>	<u>(1,27,31,253.86)</u>
XVI Earnings per equity share:			
1) Basic		3.16	(2.42)
2) Diluted		3.16	(2.42)

In terms of our report attached

 For **Dharmendra & Co.,**

Chartered Accountants

Firm Registration No.112827W

Dharmendra C. Shah

Proprietor

Membership No. 040234

Place : Chennai

Date : 7th May, 2012

T.T. Srinivasaraghavan

Chairman

Srinivas Acharya

Director

Rahul Mehta

Managing Director

P. Viswanathan

Director

P.N. Srikant

Secretary

Notes To Financial Statements

for The Year Ended 31st March, 2012

1. CORPORATE INFORMATION

Infreight Logistics Solutions Limited (“the Company”) was incorporated on 25th April, 2000. The Company is engaged in the business of providing Services of Road Transport, Warehousing, Software Maintenance, and Development of Software. The principal source of revenue for the Company is from rendering of services related to transport by road and warehousing.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation of financial statements

The financial statements have been prepared to comply in all material respects with the notified Accounting Standard by Companies (Accounting Standards) Rules, 2006 and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared and presented under the historical cost convention on an accrual basis of accounting on going concern basis. The accounting policies adopted by the Company are applied consistently and are in accordance with generally accepted accounting principles and provisions of the Companies Act, 1956.

2.2 Summary of Significant Accounting Policies

Presentation and disclosure of financial statements

During the year ended 31st March 2012, the revised schedule VI notified under the Companies Act 1956, has become applicable to the Company, for preparation and presentation of its financial statements. The adoption of revised schedule VI does not impact recognition and measurement principles followed for the preparation of financial statement. However, it has significant impact on presentation and disclosures made in the financial statements. The Company has also reclassified the previous years figures in accordance with the requirements applicable in the current year.

2.3 Use of estimates

The preparation of the financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialise.

2.4 Tangible Assets

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

2.5 Depreciation on Tangible assets

Depreciation on tangible fixed assets is being charged on the written down value method in accordance with the provisions of Schedule XIV of the Companies Act, 1956 at the following rates.

NOTES TO THE ACCOUNTS (Contd.)

Asset	Depreciation Rates
Furniture, Fixture & fittings	18.10%
Computers	40.00%
Air Conditioners	13.91%
Office Equipment	13.91%
Assets Less than ₹ 5,000/-	100.00%

2.6 Intangible Assets

The Company does not have any intangible asset.

2.7 Impairment of assets

Consideration is given at each balance sheet date to determine whether there is any indication of impairment of the carrying amount of the Company's fixed assets. If any indication exists, an asset's recoverable amount is estimated. An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value based on an appropriate discount factor.

Reversal of impairment losses recognised in prior years is recorded when there is an indication that the impairment losses recognised for the asset no longer exists or has decreased. However, the increase in carrying amount of an asset due to reversal of an impairment loss is recognised to the extent it does not exceed the carrying amount that would have been determined (net of depreciation) had no impairment loss been recognised for the asset in prior years.

2.8 Borrowing Cost

Borrowing cost includes interest and amortization of ancillary costs.

2.9 Investments

Investments that are readily realizable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long-term investments.

Long-term investments are carried individually at cost less provision for diminution, other than temporary, in the value of such investments. The Company does not have any current investments.

Current investments are carried at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost which includes interest and other direct costs. However, provision for diminution in value is made to recognize a decline, other than temporary, in the value of the investments.

2.10 Inventories

Inventories are valued at lower of cost and the net realisable value for Finished Goods and at cost for Raw Materials. As at year end, the Company does not have any Inventories.

NOTES TO THE ACCOUNTS (Contd.)

2.11 Revenue Recognition

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.

Warehousing service Income and cost of such service is recognised/accounted on monthly basis.

Revenue from software development, which is 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.

All other expenses are accounted on accrual basis and provision is made for all known losses and liabilities.

Interest income is accounted on accrual basis.

2.12 Taxation

Income tax expense comprises current tax expense, deferred tax and MAT expense or credit.

Current Taxes: Provision for current income-tax is recognised in accordance with the provisions of the Income-tax Act, 1961 and is made annually based on the tax liability after taking credit for tax allowance and exemptions.

Deferred Taxes: The deferred tax charge or credit and the corresponding deferred tax liabilities or assets is recognised for the future tax consequence attributable to the timing differences between the profits/ losses offered for income taxes and profits/ losses as per the financial statements. Deferred tax assets and liabilities are measured using the tax rates and the tax laws that have been enacted or substantively enacted at the balance sheet date. Deferred tax assets are recognised only to the extent there is reasonable certainty that the assets can be realised in future; however, where there is unabsorbed depreciation or carried forward loss under taxation laws, deferred tax assets are recognised only if there is a virtual certainty of realisation of such assets. Deferred tax assets are reviewed as at each Balance Sheet date and written down or written up to reflect the amount that is reasonable/virtually certain (as the case may be) to be realised.

Minimum Alternate Tax: Minimum alternate tax (MAT) paid in a year is charged to the statement of profit and loss as current tax. The company recognises the MAT credit available as an asset only to the extent that there is a convincing evidence that the company will pay normal income tax during the specified period i.e. period for which MAT credit is allowed to be carried forward. In the year in which company recognises MAT credit as an asset in accordance with the guidance note on Accounting for credit available in respect to Minimum Alternate Tax under the Income Tax Act, 1961. The said asset is created by way of credit to the statement of profit and loss and shown as "MAT credit entitlement" at each reporting date and writes down the asset to the extent the Company does have convincing evidence that it will pay normal tax during the specified period.

2.13 Retirement Benefits

Retirement benefits to employees comprises of payments to government provident funds, leave encashment and provision for gratuity.

Contribution to defined scheme such as provident Fund, ESIC, Family pension Fund are recognised when liability to contribute to such funds arises under the respective Acts.

The Company contributes to a group gratuity policy with Life Insurance Corporation of India towards liability of its employees.

Provision for leave encashment is accounted on cash basis.

NOTES TO THE ACCOUNTS (Contd.)

2.14 Provisions and Contingencies

The Company creates a provision when there is present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

Provisions are reviewed at each Balance Sheet date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources would be required to settle the obligation, the provision is reversed.

Contingent assets are not recognised in the financial statements. However, contingent assets are assessed continually and if it is virtually certain that an inflow of economic benefits will arise, the asset and related income are recognised in the period in which the change occurs.

2.15 Earnings per Share

Basic earnings per Share is computed by dividing the net profit attributable to equity shareholders for the year by the weighted average number of equity shares outstanding during the reporting period.

2.17 Cash & Cash Equivalents

Cash & Cash Equivalents for the purpose of Cash Flow Statement comprises cash at bank and in hand.

2.18 Cash Flow Statement

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information. A statement attached herewith.

NOTES TO THE ACCOUNTS (Contd.)

Note 3

SHARE CAPITAL

(In ₹)

	As at March 31, 2012	As at March 31, 2011
Authorised Capital		
1,00,00,000 (1,00,00,000) Equity Shares of ₹ 10/- each	10,00,00,000.00	10,00,00,000.00
	<u>10,00,00,000.00</u>	<u>10,00,00,000.00</u>
Issued Subscribed & fully paid up Share Capital		
Equity Share Capital		
56,11,200 (56,11,200) Equity Shares of ₹ 10/- each	5,61,12,000.00	5,61,12,000.00
	<u>5,61,12,000.00</u>	<u>5,61,12,000.00</u>

a) Reconciliation of the shares outstanding at the beginning and end of the reporting period

Equity Shares of ₹ 10/- each fully paid up

Particulars	As at 31st March, 2012		As at 31st March, 2011	
	No. of Shares	₹	No. of Shares	₹
At the beginning of period	56,11,200	5,61,12,000.00	56,11,200	5,61,12,000.00
Issued during the period	—	—	—	—
Outstanding at the end of period	56,11,200	5,61,12,000.00	56,11,200	5,61,12,000.00

b) Terms/rights attached to Equity Shares

The company has only one class of equity shares having a par value of ₹ 10/- per share. Each holder of equity shares is entitled to one vote per share.

In an event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the Company. The distribution will be in proportion to number of equity shares held by the Company.

c) Shares held by Holding Company

Out of the equity shares issued by the company, shares held by its holding company is as under:
Equity Shares of ₹ 10/- each fully paid up.

Name	As at 31st March, 2012			As at 31st March, 2011		
	No. of Shares	%	₹	No. of Shares	%	₹
Sundaram Finance Distribution Limited	56,11,200	100%	5,61,12,000.00	44,10,000	79%	4,41,00,000.00

d) Details of shareholders holding more than 5% shares in the Company

Equity Shares of ₹ 10/- each fully paid up

Name	As at 31st March, 2012			As at 31st March, 2011		
	No. of Shares	%	₹	No. of Shares	%	₹
Sundaram Finance Distribution Limited	56,11,200	100%	5,61,12,000.00	44,10,000	79%	4,41,00,000.00
Rahul Lalbhai Mehta	—	—	—	7,96,496	14%	79,64,960.00

NOTES TO THE ACCOUNTS (Contd.)
Note 4
RESERVES & SURPLUS

(In ₹)

	As at March 31, 2012	As at March 31, 2011
Statement of Profit & Loss		
At the beginning of the year	(12,27,34,224.80)	(11,00,02,970.94)
Add: Profit/(Loss) for the year	1,77,39,267.82	(1,27,31,253.86)
At the end of the year	(10,49,94,956.98)	(12,27,34,224.80)

Note 5
SHORT - TERM BORROWINGS

(In ₹)

	As at March 31, 2012	As at March 31, 2011
Secured Borrowings		
Canara Bank, Chennai (Secured Against Book Debts)	—	3,04,68,338.14
(a)	—	3,04,68,338.14
Unsecured Borrowings		
From Ultimate Holding Company (Refer Related Party Statement)*	5,95,00,000.00	8,40,00,000.00
From Company (Refer Related Party Statement)*	—	1,00,00,000.00
(b)	5,95,00,000.00	9,40,00,000.00
Total Short Term Borrowings	5,95,00,000.00	12,44,68,338.14
(*Repayment Term is one year from sanction date and renewable for further period. Rate of interest is 8% p.a.)		

Note 6
TRADE PAYABLES

(In ₹)

	As at March 31, 2012	As at March 31, 2011
Trade Payables for Services rendered *	6,11,135.00	84,91,268.00
	<u>6,11,135.00</u>	<u>84,91,268.00</u>

* Under the Micro, Small and Medium Enterprises Development Act, 2006 which came into force from 2nd October, 2006, certain disclosures are required to be made relating to dues to Micro, Small and Medium enterprises. Based at the information available with the Company, there are no parties who have been identified as micro, small and medium enterprises based on details called for and responses received by the management from the vendors.

Note 7
OTHER CURRENT LIABILITIES

(In ₹)

	As at March 31, 2012	As at March 31, 2011
Expenses Payable	5,07,140.00	35,45,960.00
Statutory Liabilities Payable	2,45,251.88	19,08,088.53
Advances Received From Customers	—	18,036.00
	<u>7,52,391.88</u>	<u>54,72,084.53</u>

NOTES TO THE ACCOUNTS (Contd.)

Note 8

TANGIBLE ASSETS												(In ₹)	
Particulars	Gross Block			Depreciation			Net Block						
	As at 31.03.2011	Additions	Deductions	As at 31.03.2012	As at 31.03.2011	Additions	Deductions	As at 31.03.2012	As at 31.03.2012	As at 31.03.2011			
Furnitures & Fixtures	12,29,332.00	-	(262,682.00)	9,66,650.00	6,46,949.00	1,02,795.00	(146,899.00)	6,02,845.00	3,63,805.00	5,82,383.00			
Computers	44,19,559.82	-	(516,528.82)	39,03,031.00	36,49,215.82	3,03,456.18	(446,632.00)	35,06,040.00	3,96,991.00	7,70,344.00			
Air Conditioners	4,03,079.00	-	(55,774.00)	3,47,305.00	1,76,658.00	27,763.00	(21,296.00)	1,83,125.00	1,64,180.00	2,26,421.00			
Office Equipment	3,25,470.00	9,600.00	(240,799.00)	94,271.00	1,30,275.00	25,041.00	(105,274.00)	50,042.00	44,229,000.00	1,95,195.00			
Assets Less Than ₹ 5000/-	1,63,384.00	-	(39,400.00)	1,23,984.00	1,63,384.00	-	(39,400.00)	1,23,984.00	-	-			
As at 31st March, 2012	65,40,824.82	9,600.00	(1,115,183.82)	54,35,241.00	47,66,481.82	4,59,055.18	(759,501.00)	44,66,036.00	9,69,205.00	17,74,343.00			
As at 31st March, 2011	73,57,753.82	40,953.00	(857,882.00)	65,40,824.82	45,15,898.82	7,73,953.00	(523,370.00)	47,66,481.82	17,74,343.00	28,41,855.00			

Note:

- During the year no asset is revalued.
- During the year neither impairment loss nor reversal of impairment of loss recognised.
- The Company does not have any intangible asset.

NOTES TO THE ACCOUNTS (Contd.)
Note 9
NON - CURRENT INVESTMENTS

(In ₹)

			As at March 31, 2012	As at March 31, 2011
In Subsidiary Company (Equity Shares)				
Long Term - Unquoted, at cost:				
Nos, 2012	Nos, 2011	(Face value of ₹ 10/- each)		
51,000	51,000	Sundaram Parekh Warehousing Services Limited	5,10,000.00	5,10,000.00
			5,10,000.00	5,10,000.00

Note 10
TRADE RECEIVABLES

(In ₹)

		As at March 31, 2012	As at March 31, 2011
Unsecured, Considered Good			
Outstanding for more than six months from date it became due		28,84,048.00	2,11,73,987.84
Others		52,03,215.00	3,85,20,818.00
		80,87,263.00	5,96,94,805.84

Note 11
CASH & BANK BALANCES

(In ₹)

		As at March 31, 2012	As at March 31, 2011
Cash and Cash Equivalent			
Balances with scheduled banks in current account		12,39,069.90	26,49,242.76
Cash on hand		3,30,202.00	1,03,796.50
Deposits with scheduled banks		2,500.00	13,471.85
		15,71,771.90	27,66,511.11

Note 12
SHORT TERM LOANS & ADVANCES

(In ₹)

		As at March 31, 2012	As at March 31, 2011
(Unsecured, Considered Good)			
Security Deposits with Customer/Others		1,62,380.00	7,60,750.00
Loans and advances recoverable in cash or kind		–	27,41,767.58
Other Loans & Advances			
Income Tax (TDS)/FBT (Net off provision for taxation)		6,79,950.00	34,80,495.34
Pre-paid Expenses		–	58,293.00
Staff Advances		–	22,500.00
		8,42,330.00	70,63,805.92

NOTES TO THE ACCOUNTS (Contd.)

Note 13

Revenue From Operations

(In ₹)

	FY 2011-2012		FY 2010-2011	
Services				
Transportation Charges	2,86,16,741.00		15,19,45,174.00	
Software Development & Consultancy Fees	1,02,500.00		2,69,833.00	
Software Maintenance Charges	2,35,000.00		1,75,000.00	
Business Support Service Charges	2,02,006.00		4,50,554.80	
Freight Forwarding Charges	43,442.40		34,46,160.00	
Warehouse Management Fees	1,00,94,800.00		3,39,26,907.65	
Income from Transition	4,75,00,000.00	8,67,94,489.40	–	19,02,13,629.45
		<u>8,67,94,489.40</u>		<u>19,02,13,629.45</u>

Note 14

Other Income

(In ₹)

	FY 2011-2012		FY 2010-2011	
Interest on Income Tax Refund	1,33,589.00		13,82,205.52	
Deposit/Advances/Creditors W/Back	11,561.06	1,45,150.06	41,191.88	14,23,397.40
		<u>1,45,150.06</u>		<u>14,23,397.40</u>

Note 15

Cost of Services

(In ₹)

	FY 2011-2012		FY 2010-2011	
Transportation Charges	2,52,33,391.00		13,50,66,370.00	
Software Development Charges	45,000.00		20,000.00	
Business Support Service Charges	4,02,248.00		74,820.00	
Freight Forwarding Charges	29,754.00		22,29,168.00	
Service Charges (Warehousing)	24,96,501.30		2,21,29,680.27	
Loading / Unloading / Halting / Detention / Toll / Other Charges	9,740.00		5,55,024.60	
Rate Difference/Discount/Damages	6,43,322.10	2,88,59,956.40	19,81,163.89	16,20,56,226.76
		<u>2,88,59,956.40</u>		<u>16,20,56,226.76</u>

NOTES TO THE ACCOUNTS (Contd.)
Note 16
Employee Benefits Expenses

(In ₹)

	FY 2011-2012		FY 2010-2011	
Salary and Allowances	57,75,997.00		1,03,27,719.00	
Bonus	1,11,331.00		4,14,777.00	
Contribution to PF	3,29,129.00		5,63,899.00	
Contribution to ESIC	1,52,372.00		1,70,921.00	
Contribution to Gratuity Fund	14,082.00		18,319.00	
Labour Welfare Fund	392.00		938.00	
Medical Reimbursement	95,777.00		2,87,654.00	
Leave Travel Allowance	83,343.00		2,54,272.00	
Staff Welfare	1,15,798.00	66,78,221.00	3,50,395.00	1,23,88,894.00
	<u>66,78,221.00</u>		<u>1,23,88,894.00</u>	

Note 17
Finance Costs

(In ₹)

	FY 2011-2012		FY 2010-2011	
Bank Charges	3,865.20		1,76,172.31	
Interest on Loans (Net)	58,79,114.93		1,21,19,469.72	
	<u>58,82,980.13</u>		<u>1,22,95,642.03</u>	

NOTES TO THE ACCOUNTS (Contd.)

Note 18

Other Expenses

(In ₹)

	EY 2011-2012	EY 2010-2011
Rent	3,09,943.00	10,76,536.00
Insurance	–	31,724.00
Electricity Expenses	2,82,959.00	4,30,975.00
Telephone Expenses	3,69,172.50	11,38,586.56
Printing & Stationery	50,145.00	2,37,259.61
Local Travelling	4,59,264.50	9,45,432.50
Professional Fees & Legal Charges	2,55,671.00	8,71,968.00
Outsourcing Cost	21,49,703.00	82,98,887.00
Advertisement	2,924.00	5,100.00
Recruitment & Training Expenses	–	3,000.00
Office Expenses	45,643.00	1,09,052.00
Auditors' Remuneration (Refer Note (a) below)	56,180.00	1,21,330.00
Repairs & Maintenance		
Furniture	980.00	1,750.00
Machinery (Equipments/Computers)	37,100.00	84,635.00
Vehicle	22,597.00	1,69,696.00
Others	16,674.00	92,109.00
Conveyance	2,05,152.50	7,52,158.50
Commission & Brokerage	21,800.00	2,96,124.00
Miscellaneous Expenses	50,002.00	1,28,605.00
Post and Courier Expenses	23,984.00	1,03,369.00
Web Hosting/Internet Charges	18,652.00	79,495.75
Sales Promotion Expenses	–	24,525.00
Preliminary Expenses	–	11,913.00
Bad Debts	1,97,49,728.43	4,39,710.00
Loss on Sale of Assets	21,884.00	85,624.00
	<u>2,41,50,158.93</u>	<u>1,55,39,564.92</u>
a) Details of payments made to auditor :		
<u>As Auditor (Including Service Tax)</u>		
Audit Fees	33,708.00	88,240.00
Tax Audit Fees	22,472.00	33,090.00
VAT Audit Fees	–	–
<u>In other capacity (Including Service Tax)</u>		
For Taxation Matter	–	–
For Other Services	24,818.00	24,818.00
For Reimbursement of Expenses	–	–
	<u>80,998.00</u>	<u>146,148.00</u>

NOTES TO THE ACCOUNTS (Contd.)

Note 19

EARNINGS PER SHARE

	FY 2011-2012	FY 2010-2011
Net Profit as per Profit and Loss Account	₹ 17,739,267.82	₹ (12,731,253.86)
Shares outstanding at the beginning of the year	56,11,200	50,10,000
Shares issued during the year (Right Shares)	–	6,01,200
Weighted average number of shares outstanding during the year	56,11,200	52,60,500
Basic and diluted earnings per share	3.16	(2.42)

Note 20

Balances appearing to the debit or credit of various parties are subject to confirmation.

Note 21

In the opinion board, the current assets, loans and advances are approximate of the value stated if realized in the ordinary course of business.

Note 22

Previous year figures

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

Note 23

Estimated amount of contracts remaining to be executed on capital account as well as other commitments, not provided for (net of advances) is ₹ Nil (2011 : Nil). Contingent liabilities is ₹ Nil (2011 : Nil).

Note 24

CIF Value of Imports / Consumption of Materials	FY 2011-2012	FY 2010-2011
	Nil	Nil

Note 25

Earnings in Foreign Currency/ Expenditure in Foreign Currency	FY 2011-2012	FY 2010-2011
	Nil	Nil

NOTES TO THE ACCOUNTS (Contd.)

Note 26

A statement on Segment Reporting is given hereunder as defined by AS 17 (Segmental Reporting) issued in terms of the Companies Act, 1956

Business Segment	Goods Transport By Road		Warehouse Management		Software Development & Maintenance		Business Support Service		Total	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
	(In ₹)	(In ₹)	(In ₹)	(In ₹)	(In ₹)	(In ₹)	(In ₹)	(In ₹)	(In ₹)	(In ₹)
REVENUE										
Segment Revenue	6,66,16,741.00	15,19,45,174.00	1,95,94,800.00	3,39,26,907.65	3,37,500.00	4,44,833.00	2,45,448.40	38,96,714.80	8,67,94,489.40	19,02,13,629.45
Inter segment Sales	-	-	-	-	-	-	-	-	-	-
Total revenue	6,66,16,741.00	15,19,45,174.00	1,95,94,800.00	3,39,26,907.65	3,37,500.00	4,44,833.00	2,45,448.40	3,89,67,14.80	8,67,94,489.40	19,02,13,629.45
RESULT										
Segment Result	2,17,27,555.47	(15,39,651.00)	1,26,22,931.70	48,60,549.00	(20,72,368.00)	(14,27,496.00)	(3,38,354.60)	14,95,842.00	3,19,39,764.57	33,89,244.00
Unallocated Corporate Expenses / Income									(51,47,516.62)	(27,77,460.14)
Interest Expenses									(58,82,980.13)	(1,21,19,470.00)
Profit / (Loss) before Tax									2,09,09,267.82	(1,27,31,253.86)
Less: Income Tax / FBT									(31,70,000.00)	-
Profit / (Loss) After Tax									1,77,39,267.82	(1,27,31,253.86)
OTHER INFORMATION										
Segment Assets	95,73,331.90	6,24,90,017.87	23,46,152.00	70,53,887.00	61,086.00	21,96,441.00	-	69,120.00	1,19,80,569.90	7,18,09,465.87
Unallocated Assets	-	-	-	-	-	-	-	-	-	-
Total Assets	95,73,331.90	6,24,90,017.87	23,46,152.00	70,53,887.00	61,086.00	21,96,441.00	-	69,120.00	1,19,80,569.90	7,18,09,465.87
Segment Liabilities	6,08,63,526.88	13,45,81,583.67	-	38,47,107.00	-	3,000.00	-	-	6,08,63,526.88	13,84,31,690.67
Unallocated Liabilities	-	-	-	-	-	-	-	-	-	-
Total Liabilities	6,08,63,526.88	13,45,81,583.67	-	38,47,107.00	-	3,000.00	-	-	6,08,63,526.88	13,84,31,690.67
Capital Expenditure	-	-	-	-	-	-	-	-	9,600.00	40,953.00
Depreciation	-	-	-	-	-	-	-	-	4,59,055.18	7,73,953.00
Non Cash expenses other than Depreciation	-	-	-	-	-	-	-	-	-	-

NOTES TO THE ACCOUNTS (Contd.)**Note 27**

A statement on Transactions with Related Parties is given hereunder as defined by AS 18 (Related Party Disclosures) issued in terms of the Companies Act, 1956.

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 Caltec Servicez Private Limited
Associates	Sundaram Mutual fund
Key Management Personnel	Mr. Rahul Mehta, Managing Director

Details of transactions with above related parties for FY. 2011-2012

NOTES TO THE ACCOUNTS (Contd.)

(In ₹)

Particulars	Holding Cos.	Subsidiary Co.	Fellow Subsidiary Cos.	Key Management Personnel	Relative of Key Management Personnel	Total Related Parties (EY 2011-12)	Total Related Parties (EY 2010-11)
ASSETS :							
Investment in Equity Shares							
Sundaram Parekh Warehousing Services Ltd.						-	5,10,000.00
Inter-corporate Loan Disbursed to:							
Sundaram Parekh Warehousing Services Ltd.		10,00,000.00				10,00,000.00	-
Inter-corporate Loan Repaid by:							
Sundaram Parekh Warehousing Services Ltd.		10,00,000.00				10,00,000.00	-
LIABILITIES :							
Inter-corporate Loan Repaid to:							
Sundaram Finance Ltd.	55,00,000.00					55,00,000.00	1,00,00,000.00
Sundaram Finance Distribution Ltd.	1,90,00,000.00					1,90,00,000.00	-
LGF Services Ltd.			1,00,00,000.00			1,00,00,000.00	-
Total	2,45,00,000.00		1,00,00,000.00			3,45,00,000.00	1,00,00,000.00
Principal on Car Loan repaid to:							
Sundaram Finance Ltd.						-	1,12,597.00
Outstanding Balances at year end							
Inter-corporate Loan							
Sundaram Finance Ltd.	5,95,00,000.00					5,95,00,000.00	6,50,00,000.00
Sundaram Finance Distribution Ltd.						-	1,90,00,000.00
LGF Services Ltd.						-	1,00,00,000.00
Total	5,95,00,000.00					5,95,00,000.00	9,40,00,000.00
Pay Roll Processing Fee (Net of TDS)							
Sundaram Business Services Ltd.			32,428.00			32,428.00	16,214.00
INCOME :							
Interest on Inter-corporate Loan							
Sundaram Parekh Warehousing Services Ltd.		22,623.00				22,623.00	-
EXPENSES & OTHER CHARGES :							
Interest on Inter-corporate Loan							
Sundaram Finance Ltd.	50,33,007.00					50,33,007.00	58,53,699.00
Sundaram Finance Distribution Ltd.	3,70,783.00					3,70,783.00	15,20,000.00
LGF Services Ltd.			85,479.00			85,479.00	8,00,000.00
Total	54,03,790.00		85,479.00			54,89,269.00	81,73,699.00
Interest on Car Loan (Net of Rebate)							
Sundaram Finance Ltd.						-	(3946.00)
Rent Paid (Including Service Tax)							
Sundaram Finance Ltd.	1,15,818.00					1,15,818.00	2,31,636.00
Internal Audit Fees (Including Service Tax)							
Sundaram Finance Ltd.						-	1,65,450.00
Pay Roll Processing Fee (Including Service Tax)							
Sundaram Business Services Ltd.			1,98,540.00			1,98,540.00	1,98,540.00
Accounting Processing Fee (Including Service Tax)							
Sundaram Business Services Ltd.						-	1,63,266.00

NOTES TO THE ACCOUNTS (Contd.)

Note 28

A Statement u/s.212 (1) (e) of Companies Act,1956, for investment in Subsidiary Company is as under:

1.	Name of the Subsidiary Company	Sundaram Parekh Warehousing Services Limited
2.	Financial year of the Subsidiary ended on	31st March, 2012
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	
	a) For the financial year of the Subsidiary Company	₹ 1,83,192.51
	b) For the previous financial Years since it became a Subsidiary Company	₹ (28,643.13)
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

In terms of our report attached

For **Dharmendra & Co.,**
Chartered Accountants
Firm Registration No.112827W
Dharmendra C. Shah
Proprietor
Membership No. 040234
Place : Chennai
Date : 7th May, 2012

T.T. Srinivasaraghavan
Chairman

Rahul Mehta
Managing Director

Srinivas Acharya
Director

P. Viswanathan
Director

P.N. Srikant
Secretary

Cash Flow Statement for the year ended 31.03.2012

(In ₹)

	2011 - 12	2010 - 11
<u>CASH FLOW FROM OPERATING ACTIVITIES</u>		
Net Profit after Tax	1,77,39,267.82	(1,27,31,253.86)
Adjustments for:		
Depreciation / Amortization	4,59,055.18	7,73,953.00
Provision for Tax	31,70,000.00	-
Loss / (Gain) on Sale of Investments	21,884.00	85,624.00
Preliminary Expenses	-	11,913.00
Interest Expenses (net of receipt)	58,82,980.13	1,22,95,642.03
	<u>2,72,73,187.13</u>	<u>4,35,878.17</u>
Changes in Assets & Liabilities:		
(Increase) / Decrease in Inventories	-	13,14,000.00
(Increase) / Decrease in Trade Receivables	5,16,07,542.84	1,12,98,686.84
(Increase) / Decrease in Long term Loans and Advances	-	-
(Increase) / Decrease in Short term Loans and Advances	59,03,391.92	1,32,59,796.47
Increase / (Decrease) in Trade Payables	(78,80,133.00)	(24,77,042.08)
Increase / (Decrease) in other Current liabilities	(47,19,692.65)	-
NET CASH FROM OPERATING ACTIVITIES	<u>7,21,84,296.24</u>	<u>2,33,95,441.23</u>
Income Tax paid	(28,51,916.00)	(9,98,034.00)
	<u>6,93,32,380.24</u>	<u>2,28,33,285.40</u>
<u>CASH FLOW FROM INVESTING ACTIVITIES</u>		
Acquisition of Fixed Assets (net)	3,24,198.82	2,07,935.00
Proceeds of Non-Current Investments	-	-
Purchase of Non-Current Investments	-	(5,10,000.00)
NET CASH FROM INVESTING ACTIVITIES	<u>3,24,198.82</u>	<u>(3,02,065.00)</u>
<u>CASH FLOW FROM FINANCING ACTIVITIES</u>		
Proceeds form Right Issue of Share Capital		60,12,000.00
Proceeds form Long-term Borrowing	-	-
Proceeds form Short-term Borrowing	-	-
Repayment of Short - term Borrowings	(6,49,68,338.14)	(1,56,84,682.52)
Interest Expenses (net of receipt)	(58,82,980.13)	(1,22,95,642.03)
NET CASH FROM FINANCING ACTIVITIES	<u>(708,51,318.27)</u>	<u>(2,19,68,324.55)</u>
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	<u>(11,94,739.21)</u>	<u>5,62,895.85</u>
Cash and cash equivalents at the beginning of the year	27,66,511.11	22,03,615.26
Cash and cash equivalents at the end of the year	<u>15,71,771.90</u>	<u>27,66,511.11</u>
Components of Cash and Cash Equivalents at the year end		
Balances with Banks - in Current Accounts	12,39,069.90	26,49,242.76
- in Deposit Accounts	2,500.00	13,471.85
Cash on Hand	3,30,202.00	1,03,796.50
	<u>15,71,771.90</u>	<u>27,66,511.11</u>

Notes:

- 1) The cash flow statement has been prepared in accordance with the requirements of Accounting Standard - 3.
- 2) The figures in brackets indicate outflows of cash and cash equivalents.
- 3) Previous year's figures have been regrouped, rearranged wherever necessary.

In terms of our report attached

For **Dharmendra & Co.**,
Chartered Accountants
Firm Registration No.112827W
Dharmendra C. Shah
Proprietor
Membership No. 040234
Place : Chennai
Date : 7th May, 2012

T.T. Srinivasaraghavan
Chairman

Rahul Mehta
Managing Director

Srinivas Acharya
Director

P. Viswanathan
Director

P.N. Srikant
Secretary

INFREIGHT LOGISTICS SOLUTIONS LIMITED

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

SUNDARAM PAREKH WAREHOUSING SERVICES LIMITED

A subsidiary of



SUNDARAM FINANCE LIMITED

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Directors' Report

Your Directors have pleasure in presenting the Second Annual Report and Audited Accounts for the year ended 31st March, 2012.

The summarised financial results of the Company are given hereunder:

(In ₹)

Particulars	Year ended 31.03.2012	Year ended 31.03.2011
Total Income	37,50,584	–
Total Expenditure	32,21,383	56,163
Profit before Tax	5,29,201	(56,163)
Taxation	1,70,000	-
Profit after Tax	3,59,201	(56,163)
Transfer to General Reserve	–	–
Surplus carried to Balance Sheet	3,59,201	(56,163)

REVIEW OF OPERATIONS OF THE COMPANY

While your company's objective has been to provide high-end warehousing services across the country, this year, as the market was not conducive, your company has stayed away from taking any large warehousing services.

On the other hand, your company has ventured into the transportation segment and it is heartening to report that your company has recorded a turnover to the tune of Rs 37,50,584 with a profit margin of Rs 3,59,201/-.

DIRECTORS

Sri S. Venkatesan and Sri V. H. Parekh, Directors, retire by rotation and being eligible offers themselves for re-election. Necessary resolution is submitted for your approval.

DIRECTORS' RESPONSIBILITY STATEMENT

Your directors confirm:

- that in the preparation of the annual accounts, the applicable accounting standards had been followed;
- 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;

- 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
- 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 year.

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 and Sundaram Finance Distribution Limited, its holding company for its support.

Chennai 600 002
Date: 7th May 2012

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

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, Patullos Road,
Chennai – 600 002.

I have examined the registers, records, books and papers of **SUNDARAM PAREKH WAREHOUSING SERVICES LIMITED** (the Company) as required to be maintained under the Companies Act, 1956, (the Act) and the rules made there under and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended on **31st March 2012**. In my opinion and to the best of 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 financial year:

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 Five (5) times on 18th April 2011, 13th May 2011, 16th August 2011, 5th December 2011 and 2nd March 2012 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 year ended 31st March 2012.
6. The First Annual General Meeting for the period 25th August 2010 to 31st March, 2011 was held on 30th May 2011 after giving due notice to the members of the Company and the resolutions passed thereat were duly recorded in the Minutes Book maintained for the purpose.
7. One Extra-Ordinary General Meeting at shorter notice was held on 5th December 2011 during the year ended 31st March 2012 and the resolution passed thereat was duly recorded in the 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 year ended 31st March 2012.
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.

SUNDARAM PAREKH WAREHOUSING SERVICES LIMITED

- ii) has not deposited any amount in a separate bank account as no dividend was declared during the year ended 31st March 2012.
- iii) was not required to post warrants to any member of the Company as no dividend was declared during the year ended 31st March 2012.
- iv) has not declared any dividend, issued any shares or 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 year under review.
16. The Company has not appointed any sole selling agent during the year ended 31st March 2012.
17. 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 financial year ended 31st March 2012.
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 not issued any shares, debentures or other securities during the financial year ended 31st March 2012.
20. The Company has not bought back any shares during the year 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 year 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 year ended 31st March 2012.
24. The borrowings made by the Company during the ended 31st March 2012 is within the borrowing limits of the company and necessary resolutions as per Section 293(1)(d) of the Act have been passed in duly convened extra-ordinary general meeting.
25. The Company has made loans to bodies corporate during the year ended 31st March 2012 in compliance with the provisions of the Act and has made necessary entries in the register kept for the purpose.
26. During the year under review, the Company has not altered the provisions of its Memorandum and its Articles of Association.
27. 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 financial year, for offences under the Act.
28. The Company has not received any money as security from its employees during the financial year ended 31st March 2012.
29. According to the information and explanations given to me, during the year under review, the provisions relating to contribution to Provident Fund did not apply to the Company.

Place: Chennai
Date: 20th April 2012

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

Annexure A to Secretarial Compliance Certificate

Registers as maintained by the Company during the year ended 31st March, 2012

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: 20th April 2012

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 year ended 31st March 2012

REGISTRAR OF COMPANIES

Sl. No.	Form No.	Relevant Section	Description
1.	66	383A	Compliance Certificate issued by Ms Malini Seshadri, Practising Company Secretary, for the period 25th August 2010 to 31st March 2011.
2.	23AC – XBRL & 23ACA – XBRL	220	Balance Sheet and Profit & Loss Account for the period 25th August 2010 to 31st March 2011.
3.	32	303	Appointment of Sri S Venkatesan, Sri Rahul Mehta, Sri S Sivakumar, Sri V H Parekh and Sri Mukesh M Maniar as First Directors of the Company.
4.	20B	159	Annual Return made upto 30th May 2011 (Date of AGM).
5.	23	293(1)(d)	Increase in borrowing limits in excess of paid-up capital and free reserves.
6.	22B	187C	Changes in the nominees of Sundaram Finance Limited.

REGIONAL DIRECTOR

NIL

CENTRAL GOVERNMENT & OTHER AUTHORITIES

NIL

Place: Chennai

Date: 20th April 2012

MALINI SESHADRI, A.C.S.

No. 5493 CP1323

SUNDARAM PAREKH WAREHOUSING SERVICES LIMITED

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 2012, the Profit and Loss Statement and the Cash Flow Statement of the company for the year ended on that date, 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 given to us, we give in the Annexure a statement on the matters specified in 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 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 Statement 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 Statement 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 2012 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March 2012 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 2012;
 - (b) in the case of the Profit and Loss Statement, of the profit for the year ended on that date; and
 - (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

For BRAHMAYYA & CO.,
Chartered Accountants
Firm Registration No. 000511S

L.RAVI SANKAR
Partner
Membership No.25929

Place: Chennai
Date: 7th May, 2012

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

1. a) 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(d) of Paragraph 4 of the Order are not applicable to the company for the year.
 - b) i) The company has availed and repaid an unsecured loan from a company covered in the register maintained under section 301 of the Act. The maximum amount involved during the year was Rs.10.00 lakhs. The balance outstanding at the end of the year was Rs. Nil.
 - ii) The rate of interest and other terms and conditions of the loan are, prima facie, not prejudicial to the interest of the company.
 - iii) The repayment of principal is regular.
 - iv) There is no amount overdue on the loans.

Apart from the above, the company has not availed loans from companies, firms or other parties covered in the register maintained under Section 301 of the Act.
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 and the nature of its business with regard to service rendered. 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. a) To the best of our knowledge and belief and according to the information and explanations given to us, we are of the opinion that the particulars of contracts or arrangements referred to in Section 301 of the Act that need to be entered in the register maintained under Section 301 of the Act have been so entered.
 - b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements entered in the register maintained under Section 301 of the Act and exceeding the value of rupees five lakhs in respect of any party during the year, prima facie, have been made at prices which are reasonable having regard to the nature of the services and prevailing market prices at the relevant time.
4. The company has not accepted deposits.
5. The company does not require to have an internal audit system.
6. The Central Government has not prescribed the maintenance of cost records under Section 209(1)(d) of the Companies Act, 1956.
7. a) According to the records of the company and the information and explanations given to us, undisputed statutory dues were generally deposited within due date during the year with the appropriate authorities.
 - b) According to the information and explanations given to us, there are no undisputed amounts payable in respect of income tax which were outstanding as at 31st March, 2012 for a period of more than 6 months from the date they become payable.

8. The company does not have any borrowing from financial institutions, Banks, or by issue of debentures. no fraud by the company and no fraud on the company was noticed or reported during the course of our audit.
9. According to the information and explanations given to us, during the year, the company has not:
- granted loans or advances on the basis of security by way of pledge of shares, debentures and other securities.
 - given any guarantees for loan taken by others from banks or financial institutions.
 - availed any term loan.
 - issued any debentures.
 - raised monies by way of public issue.
 - raised any short term funds.
10. To the best of our knowledge and belief and according to the information and explanations given to us, during the year
11. 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, x, xiii, xiv and xviii of paragraph 4 of the Companies (Auditors' Report) Order, 2003 are not applicable to the company for the year.

For BRAHMAYYA & CO.,
Chartered Accountants
Firm Registration No. 000511S

L.RAVI SANKAR
Partner
Membership No.25929

Place: Chennai
Date: 7th May, 2012

Balance Sheet

as at 31st March, 2012

(In ₹)

Particulars	Note	March 31, 2012		March 31, 2011	
I. EQUITY AND LIABILITIES					
1) Shareholders' funds					
a) Share capital	2	10,00,000		10,00,000	
b) Reserves and surplus	3	3,03,038		(56,163)	
c) Money received against share warrants		—	13,03,038	—	9,43,837
2) Share application money pending allotment			—		—
3) Non-current liabilities					
a) Long-term borrowings		—		—	
b) Deferred tax liabilities		—		—	
c) Other Long term liabilities		—		—	
d) Long-term provisions	4	1,66,161	1,66,161	—	—
4) Current liabilities					
a) Short-term borrowings		—		—	
b) Trade payables	5	40,904			6,618
c) Other current liabilities		—			—
d) Shortterm provisions		—	40,904	—	6,618
TOTAL			<u>15,10,103</u>		<u>9,50,455</u>
II. ASSETS					
1) Non-current assets					
a) Fixed assets					
i) Tangible assets		—		—	
ii) Intangible assets		—		—	
iii) Capital work-in-progress		—		—	
iv) Intangible assets under development		—		—	
b) Non-current investments		—		—	
c) Deferred tax assets		—		—	
d) Long-term loans and advances		—		—	
e) Other non-current assets		—	—	—	—
2) Current assets					
a) Current investments		—		—	
b) Inventories		—		—	
c) Trade receivables	6	1,67,184		—	
d) Cash and cash equivalents	7	13,42,919		9,50,455	
e) Short-term loans and advances		—		—	
f) Other current assets		—	15,10,103	—	9,50,455
TOTAL			<u>15,10,103</u>		<u>9,50,455</u>

Significant Accounting Policies and Notes to the Accounts 1 to 13

As per our report of even date attached

For **Brahmayya & Co.**,
Chartered Accountants
Firm Registration No. 000511S

L. Ravisankar
Partner
Membership No. 25929
Chennai
7th May, 2012

Rahul L. Mehta

Mukesh M. Maniar

S. Sivakumar

Directors

SUNDARAM PAREKH WAREHOUSING SERVICES LIMITED

Profit and Loss Statement

for the Year Ended 31st March, 2012

(In ₹)

Particulars	Note	2011-12	25.08.2010 – 31.03.2011\
REVENUE:			
Revenue from operations	8	37,12,230	–
Other income	9	38,354	–
Total Revenue	(A)	37,50,584	–
EXPENSES:			
Cost of Services	10	31,49,975	–
Finance costs	11	22,623	–
Administrative and other expenses	12	48,785	56,163
Total expenses	(B)	32,21,383	56,163
Profit before tax	(A-B)	5,29,201	(56,163)
Tax expense:			
Current tax		1,70,000	–
Deferred tax		–	–
Profit after tax from continuing operations		3,59,201	(56,163)
Earnings per equity share:			
Weighted Average number of Shares		1,00,000	58,333
Basic		3.59	(0.96)
Diluted		3.59	(0.96)
Significant Accounting Policies and Notes to the Accounts 1 to 13			

As per our report of even date attached
For **Brahmayya & Co.**,
Chartered Accountants
Firm Registration No. 000511S
L. Ravisankar
Partner
Membership No. 25929
Chennai
7th May, 2012

Rahul L. Mehta

Mukesh M. Maniar

S. Sivakumar
Directors

NOTES TO THE ACCOUNTS

Note 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 (3)(C) 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 Taxation:

Current year tax is provided on the taxable income for the year.

- 1.4 Provisions:

Provisions are recognised when the Company has present legal or constructive obligations, as a result of past events, for which it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made for the amount of the obligation.

Note 2

SHARE CAPITAL

(In ₹)

	As at March 31, 2012	As at March 31, 2011
Authorised: (1,00,000 Equity Shares of ₹ 10/- each) (Previous Year 1,00,000 Shares of ₹ 10/- each)	10,00,000	10,00,000
Issued,Subscribed and Fully Paid Up: 1,00,000 Equity Shares of ₹ 10/- each (Previous Year 1,00,000 Shares of ₹ 10/- each)	10,00,000	10,00,000
	10,00,000	10,00,000

NOTES TO THE ACCOUNTS (Contd.)**Reconciliation of the shares outstanding at the beginning and end of the year**

Particulars	Current Year		Previous Year	
	Nos of Shares	(₹)	Nos of Shares	(₹)
At the beginning of year	1,00,000	10,00,000	–	–
Add: Issued during the year	–	–	1,00,000	10,00,000
Less: Bought back during the year	–	–	–	–
Outstanding at the end of year	1,00,000	10,00,000	1,00,000	10,00,000

Details of number of shares held by shareholders holding more than 5% shares are set out below:

Particulars	Current Year		Previous Year	
	Nos of Shares	(%)	Nos of Shares	(%)
Infreight Logistics Solutions Limited (Holding Company)	51,000	51	51,000	51
Parekh Integrated Services Pvt. Limited	49,000	49	49,000	49
	1,00,000	100	1,00,000	100

Note 3**RESERVES AND SURPLUS**

Nature of Reserve	Opening Balance as at 01.04.2011 (₹)	Addition during the year (₹)	Deduction /Appropriation during the year (₹)	Closing Balance as at 31.03.2012 (₹)
Surplus for the year	(56,163)	3,59,201	–	3,03,038

Nature of Reserve	Opening Balance as at 01.04.2011 (₹)	Addition during the year (₹)	Deduction /Appropriation during the year (₹)	Closing Balance as at 31.03.2012 (₹)
Loss for the year	–	(56,163)	–	(56,163)

Note 4**LONG-TERM PROVISIONS**

(In ₹)

	As at March 31, 2012	As at March 31, 2011
Income Tax (Net of TDS of ₹ 3,839/-)	1,66,161	–
	<u>1,66,161</u>	<u>–</u>

NOTES TO THE ACCOUNTS (Contd.)**Note 5****TRADE PAYABLES**

(In ₹)

	As at March 31, 2012	As at March 31, 2011
For Expenses	40,904	6,618
	<u>40,904</u>	<u>6,618</u>

Note 6**TRADE RECEIVABLES****(Unsecured, considered good)**

(In ₹)

	As at March 31, 2012	As at March 31, 2011
Less than Six Months from Due date	1,67,184	—
	<u>1,67,184</u>	<u>—</u>

Note 7**CASH AND CASH EQUIVALENTS**

(In ₹)

	As at March 31, 2012	As at March 31, 2011
Cash on Hand	1,260	—
With Scheduled Banks	13,41,659	9,50,455
	<u>13,42,919</u>	<u>9,50,455</u>

NOTES TO THE ACCOUNTS (Contd.)**Note 8****REVENUE FROM OPERATIONS:****Services:**

(In ₹)

	(In ₹)	2011-2012	25.08.2010 – 31.03.2011
		Transportation Charges	37,12,230
		<u>37,12,230</u>	<u>-</u>

Note 9**OTHER INCOME**

(In ₹)

	2011-2012	25.08.2010 – 31.03.2011
	Interest on Bank Deposits	38,354
	<u>38,354</u>	<u>-</u>

Note 10**COST OF SERVICES**

(In ₹)

	2011-2012	25.08.2010 – 31.03.2011
	Vehicle hire charges	31,49,975
	<u>31,49,975</u>	<u>-</u>

Note 11**FINANCE EXPENSES**

(In ₹)

	2011-2012	25.08.2010 – 31.03.2011
	Interest on Inter-corporate Loan	22,623
	<u>22,623</u>	<u>-</u>

Note 12**ADMINISTRATIVE AND OTHER EXPENSES**

(In ₹)

	2011-2012		25.08.2010 – 31.03.2011	
	Printing and Stationery		11,755	
Rates and Taxes		1,200		918
Professional Fees		10,212		827
Auditors' Remuneration				
- Statutory Audit Fee	15,000		6,000	
- Service Tax	1,854	16,854	618	6,618
Miscellaneous Expenses		8,764		-
Preliminary Expenses		-		47,800
		<u>48,785</u>		<u>56,163</u>

Note 13**GENERAL**

- 13.1 The Company provide service to transport sector. There are no separate reportable segments as per Accounting Standard AS-17 Segment Reporting.
- 13.2 Related Party disclosures: In accordance with the Accounting Standard 18 - 'Related Party Disclosures', the details of related parties and the transactions with related parties are given below:

Related Party Disclosures as per AS -18

Name of related parties and description of relationship

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

Caltec Servicez Private Limited

Associate:

Sundaram Mutual fund

Nature of Transactions	Holding Companies	Fellow Subsidiaries	Associate	Total (2011-2012)	Total (2010-2011)
				₹	₹
Transaction during the year					
Receipts of Share Capital					
- Infreight Logistics Solutions Limited				-	5,10,000
Receipts of Inter-corporate Loan					
- Infreight Logistics Solutions Limited	10,00,000			10,00,000	-
Repayment of Inter-corporate Loan					
-Infreight Logistics Solutions Limited	10,00,000			10,00,000	-
Payment of Interest on Inter-corporate Loan					
-Infreight Logistics Solutions Limited	22,623			22,623	-
Liabilities					
Equity Share Capital					
-Infreight Logistics Solutions Limited				-	5,10,000

13.3 EARNINGS PER SHARE

	31st March, 2012	31st March, 2011
A. Profit for the year /period (₹)	3,59,201	(56163)
B. Weighted Average number of equity shares of ₹10/-each	1,00,000	58,333
C. Basic and Diluted Earnings Per Share – (₹)	3.59	(0.96)

- 13.4 The company does not owe any amount to Small Scale Industrial undertaking.
- 13.5 The presentation in the Balance Sheet, Profit and Loss Statement and Notes to the Accounts has been in terms of Revised Schedule VI to the Companies Act, 1956, which has become mandatory with effect from 1st April, 2011; previous period figures have been regrouped /reclassified wherever necessary to conform to the current year's presentation.
- 13.6 The Financial Statement pertaining to the period of 12 months from 1st April, 2011 to 31st March, 2012. The figures for the previous period pertaining to the period from 25th August, 2010 (Date of Incorporation) to 31st March, 2011. Hence, the figures for the previous period are not comparable.
- 13.7 Figures have been rounded off to the nearest rupee.

Signatures to Notes 1 to 13

As per our report of even date attached
For **Brahmayya & Co.**,
Chartered Accountants
Firm Registration No. 000511S
L. Ravisankar
Partner
Membership No. 25929
Chennai
7th May, 2012

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

Cash Flow Statement for the year ended 31.03.2012

(In ₹)

	2011-2012		2010-2011	
A) CASH FLOW FROM OPERATING ACTIVITIES				
Net Profit		3,59,201	(56,163)	
Add: Interest Expenses	22,623		-	
Preliminary expenses written off	-	22,623	47,800	47,800
Operating Profit Before Working Capital Changes		3,81,824		(8,363)
Trade Receivables	(1,67,184)		-	
Preliminary Expenses paid	-		(47,800)	
Increase / (Decrease) in Current Liabilities	2,00,447		6,618	
Other Current Assets	-	33,263	-	(41,182)
NET CASH FROM OPERATING ACTIVITIES (A)		<u>4,15,087</u>		<u>(49,545)</u>
B) CASH FLOW FROM INVESTING ACTIVITIES		<u>-</u>		<u>-</u>
C) CASH FROM FINANCING ACTIVITIES				
Proceeds from issue of Equity shares		-		10,00,000
Financial Expenses Paid		(22,623)		-
NET CASH FROM FINANCING ACTIVITIES (C)		<u>(22,623)</u>		<u>10,00,000</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS (A) + (B) + (C)		<u>3,92,464</u>		<u>9,50,455</u>
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR		<u>9,50,455</u>		<u>-</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR		<u>13,42,919</u>		<u>9,50,455</u>
COMPONENTS OF CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR				
Current Account with Bank		13,41,659		9,50,455
Cash on Hand		1,260		-
		<u>13,42,919</u>		<u>9,50,455</u>

As per our report of even date attached

For **Brahmayya & Co.**,
Chartered Accountants
Firm Registration No. 000511S

L. Ravisankar
Partner
Membership No. 25929
Chennai
7th May, 2012

Rahul L. Mehta

Mukesh M. Maniar

S. Sivakumar

Directors

SUNDARAM PAREKH WAREHOUSING SERVICES LIMITED

Board of Directors

Rajesh Venkat Chairman
S Sridhar
Dinesh Kamath

Bankers

HDFC Bank Limited
The Shamrao Vithal Co-operative Bank Limited

Auditors

M/s. Brahmayya & Co., Chennai
Chartered Accountants

Registered Office

21, Patullos Road,
Chennai 600 002

CALTEC SERVICEZ PRIVATE LIMITED

A subsidiary of



SUNDARAM FINANCE LIMITED

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Profit and Loss Account	85
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Directors' Report

Your Directors have pleasure in presenting the 4th Annual Report and Audited Accounts of the Company for the year ended 31st March 2012.

The summarised financial results of the Company are given hereunder:

(₹ In lakhs)

Particulars	Year ended 31.03.2012	Year ended 31.03.2011
Total Income	497.80	674.34
Total Expenditure	499.74	596.09
Profit/(Loss) before Taxation	(1.94)	78.25
Provision for Taxation (includes deferred tax)	(0.68)	24.37
Profit/(Loss) after Taxation	(1.26)	53.88

CHANGE IN THE MANAGEMENT

In October 2011, Sundaram Finance Distribution Limited (SFDL), a wholly owned subsidiary of Sundaram Finance Limited (SFL), acquired 51% stake in your Company. Consequent to the said acquisition, your Company became a subsidiary of SFDL and of SFL. Subsequently, the registered office of your Company has been shifted from Mumbai to Chennai.

REVIEW OF OPERATIONS

During the financial year 2011-12, revenue earned was ₹ 497 lakhs as against ₹ 674 lakhs in the previous year. The fall in revenue by 25 % from previous year was primarily due to loss of clients besides drop in volume from few existing clients. Operations during the year resulted in net loss of ₹ 1.26 lakhs as against net profit of ₹ 53.88 lakhs in the previous year. Several initiatives are being taken to increase revenues and put your company on the path to sustained profitability.

DIRECTORS

Mr. Jayesh Shetia was co-opted as an additional director of your company during the year and he resigned from directorship on 1st November 2011.

Mr. Rajesh Venkat and Mr. S Sridhar were appointed as directors of your Company with effect from 31st October 2011.

Mrs. Fatima Mc Rae relinquished the office of Directorship with effect from 31st October 2011. Your Directors place on record their appreciation for her valuable service.

Mr. Dinesh Kamath retires by rotation and, being eligible, offers himself for re-election. Necessary resolution is submitted for your approval.

AUDITORS

During the year, M/s Harish Hegde & Co, Chartered Accountants, Mumbai, tendered their resignation and subsequently M/s Brahmayya & Co, Chartered Accountants, Chennai, were appointed as the Statutory Auditors of the Company.

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

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

In pursuance of the provisions of Section 217(1)(e) of the Companies act, 1956, read with Rule 2 of the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988, Your Company has no activity relating to conservation of energy or technology absorption. During the year under review, there were no expenditures and earnings in foreign currencies.

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.

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 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 profit 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.

ACKNOWLEDGEMENT

Your Directors' thank the holding company, Sundaram Finance Distribution Limited for its support. Your Director's also wish to place on record their appreciation of the contribution made by the management team and the employees at all levels.

**Rajesh Venkat
S Sridhar**

Chennai 600 002

Date: 11th May, 2012

Directors

Secretarial Compliance Certificate

Name of the Company : CALTEC SERVICEZ PRIVATE LIMITED
Registration No. of the Company : 11-178946
Nominal Capital : ₹ 25,00,000/-

To
The Members of
Caltec Servicez Private Limited,
Regd. Office: Plot No. 105, Pankaj Building,
Behind Chandivali, Ice Factory, Chandivali,
Andheri-East, Mumbai - 400 072

I have examined the registers, records, books and papers of **CALTEC SERVICEZ PRIVATE LIMITED** ("the Company"), 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 financial year ended on **31st March, 2012** ("the financial year"). In my opinion and to the best of my information and according to the examination carried out by me and the explanations furnished to me by the Company, its officers and agents, I certify that in respect of the aforesaid financial year:

1. The Company has kept and maintained all registers as stated in Annexure "A" to this certificate, as per the provisions of the Act and the rules made thereunder and all entries therein have been duly recorded.
2. The Company has duly filed the forms and returns as stated in Annexure "B" to this certificate, with the Registrar of Companies, with payment of additional fee wherever necessary, as prescribed under the Act and the rules made thereunder.
3. The Company became a public limited company during the year consequent to it becoming a subsidiary of M/s Sundaram Finance Distribution Limited. The company has the minimum prescribed paid-up capital and its maximum number of members during the financial year was three.
4. The Board of Directors duly met nine times respectively on 6th May, 2011, 28th September, 2011, 31st October, 2011 (at 10.00 A.M), 31st October, 2011 (at 3.00 P.M), 1st November, 2011 (at 8.00 A.M), 1st November, 2011 (at 8.30 A.M), 1st November, 2011 (at 10.00 A.M), 16th November, 2011 and 16th January, 2012 in respect of which meetings proper notices were given and the proceedings were properly recorded and signed.
5. The Company has not closed its Register of Members during the financial year.
6. The Annual General Meeting for the financial year ended on 31st March, 2011, was held on 20th July, 2011, after giving due notice to the members of the Company and the resolutions passed thereat were duly recorded in the Minutes Book maintained for the purpose.
7. Four Extra-ordinary General Meetings were held during the year under scrutiny, on 31st October, 2011 (at 11.00 A.M and at 4.00 P.M), and 1st November, 2011 and 1st December, 2011, respectively after giving notice to the members of the Company and the resolutions passed thereat were duly recorded in the Minutes Book maintained for the purpose.
8. The company has not advanced any loans to its directors or persons or firms or companies referred to under section 295 of the Act, during the year under scrutiny.
9. The Company has complied with the provisions of section 297 of the Act in respect of transactions falling within the purview of the said section.

10. The Company has made necessary entries in the register maintained under section 301 of the Act.
11. There were no instances falling within the purview of section 314 of the Act, and no approvals were required to be obtained from its Members or the Board of Directors or the Central Government
12. The Company has not issued any duplicate share certificates during the financial year.
13.
 - i) There were no allotments/transmissions of securities during the financial year. The company has delivered the share certificates on lodgment thereof for transfer, in accordance with the provisions of the Act.
 - ii) The company was not required to deposit any amount in a separate bank account as no dividend was declared during the financial year.
 - i) The Company was not required to post warrants to any member of the company as no dividend was declared during the financial year.
 - ii) The Company was not required to transfer any amount to Investor Education and Protection Fund (IEPF), since the company has no unpaid dividend, application money due for refund, matured deposits, matured debentures and the interest accrued thereon which have remained unclaimed or unpaid for seven years.
 - iii) The Company duly complied with the requirements of section 217 of the Act.
14. The Board of Directors is duly constituted. The appointments of additional directors during the year were made in due compliance of the provisions of the Act. There were no appointments of alternate directors or directors to fill casual vacancies
15. The Company has appointed a whole Time Director during the year under scrutiny and has duly complied with the relevant provisions of the Act.
16. The Company has not appointed any sole selling agents during the financial year.
17. The Company had filed a petition u/s 17 of the Act, with the Company Law Board, Mumbai Bench, for confirmation of the alteration of Clause II of its Memorandum of Association for shifting the registered office of the company to the state of Tamilnadu. The Company Law Board has passed its order dated 24th April, 2012, confirming the alteration of the Memorandum of Association. Apart from this, the company was not required to obtain any approvals of the Company Law Board, Regional Director, and Registrar of Companies under the various provisions of the Act during the financial year.
18. The directors have disclosed their interests 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 not issued any shares during the financial year under scrutiny.
20. The Company has not bought back any shares during the financial year.
21. There was no redemption of preference shares or debentures during the financial year.
22. There were no transactions necessitating the Company to keep in abeyance the rights to dividend, rights shares and bonus shares pending registration of shares.
23. As informed and explained to me and, the Company has not invited/accepted any deposits including any unsecured loans falling within the purview of section 58A during the financial year.

-
24. The borrowings made during the financial year under scrutiny, were within the borrowing powers of the company under section 293(1) (d) of the Act.
25. The Company has not made any inter corporate investments and hence no entries were required to be made in the register maintained u/s 372A of the Act .
26. The Company has altered the provisions of the Memorandum with respect to the situation of the Company's registered office from one state to another during the year under scrutiny and has complied with the relevant provisions of the Act.
27. The Company has not altered the provisions of the Memorandum with respect to the objects of the Company during the year under scrutiny.
28. The Company has not altered the provisions of the Memorandum with respect to the name of the Company during the year under scrutiny.
29. The Company has not altered the provisions of the Memorandum with respect to the share capital of the Company during the year under scrutiny.
30. The Company has not altered Articles of Association during the financial year.
31. As informed to me, there was no prosecution initiated against or show cause notice received by the company for alleged offences under the Act and no fines or penalties or any other punishment imposed on the company during the financial year, for offences under the Act.
32. The company has not received any money as security from its employees during the financial year.
32. The Company has deposited the employers' and employees' contribution to provident fund with the prescribed authorities.
- Place: Mumbai
Date: 3rd May, 2012
- B. Durga Prasad Rai**
Company Secretary
C.P. No: 4390

Annexure A

Statutory Registers

1. Register of Members u/s 150.
2. Minute Books of Meetings of Board of Directors u/s 193.
3. Minute Books of General Meetings u/s 193.
4. Register of Directors u/s 303.
5. Register of directors' share holdings u/s 307.
6. Register of Contracts in which directors are interested u/s 301.
7. Register of Charges under u/s 143 and copies of instruments creating charges u/s 136
8. Copies of Annual Returns filed by the company.

Other Registers

1. Register of Transfers
2. Register of shareholders Attendance.

Annexure B

Forms & Returns filed by the Company with the Registrar of Companies, Company Law Board and other Authorities under the Companies Act, 1956.

1. With Registrar of Companies:

Sl. No	Form No.	Filed under Section	Date of filing	whether filed within Prescribed time Yes/No	If delay in filing whether requisite addl. fee Paid Yes/No
1	Form No. 20B (For Annual Return as on 20th July, 2011)	159	27.07.2011	Yes	NA
2	Form 23AC/ACA(For Directors' Report, Auditors' Report, Balance Sheet, P/L A/c For FY 2010-11)	220	27.07.2011	Yes	NA
3	Form 66 (Secretarial compliance certificate for FY 2010-11)	383A	27.07.2011	Yes	NA
4	Form 32 (for appointment of an additional director on 28.09.2011)	303	18.10.2011	Yes	NA
5	Form 23 (for special resolution passed on 31.10.2011 for alteration of AOA))	192	07.11.2011	Yes	NA
6	Form 32 (for appointment of two additional directors on 31.10.2011)	303	02.11.2011	Yes	NA
7	Form 32 (for change in designation of three additional directors as directors on 31.10.2011)	303	03.11.2011	Yes	NA
8	Form 32 (for resignation of a director on 31.10.2011)	303	03.11.2011	Yes	NA
9	Form 32 (for resignation of a director on 01.11.2011)	303	04.11.2011	Yes	NA
10	Form 23 (for appointment of a whole time director by the Board of Directors on 01.11.2011)	192	29.11.2011	Yes	NA
11	Form 32 (for appointment of a whole time director on 01.11.2011)	303	29.11.2011	Yes	NA
12	Form 25C (appointment of a whole time director by the Board of Directors on 01.11.2011)	269 read with Schedule XIII	02.12.2011	Yes	NA

2. With Company Law Board and other Authorities: Nil

B. Durga Prasad Rai
Company Secretary
C.P. No: 4390

Auditors' Report

To The Members of Caltec Servicez Private Limited

1. We have audited the attached Balance Sheet of Caltec Servicez Private Limited as at 31st March 2012, the Profit and Loss Statement and the Cash Flow Statement of the company for the year ended on that date, 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 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 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 given to us, we give in the Annexure a statement on the matters specified in 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 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 Statement and the 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 Statement and the Cash Flow Statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956, to the extent applicable.
 - v) on the basis of written representations received from the directors, as on 31st March 2012 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March 2012 from being appointed as a Director in 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 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 2012;
 - (b) in the case of the Profit and Loss Statement, of the loss for the year ended on that date; and
 - (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

For **BRAHMAYYA & CO.**,
Chartered Accountants
Firm Registration No. 00511S

L. RAVI SANKAR

Partner

Membership No.25929

Place : Chennai

Date : 11th May, 2012

Annexure To The Auditors' Report referred to in Paragraph 3 of Our Report of Even Date

1. a) The company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.
b) Fixed assets are being physically verified by the management in accordance with a plan of verification which in our opinion is reasonable having regard to the size of the company and the nature of fixed assets. The discrepancies noticed on such verification were not material and have been properly dealt with in the books of account.
c) In our opinion and according to the information and explanations given to us, a substantial part of fixed assets have not been disposed off by the company during the year.
2. In our opinion and according to the information and explanations given to us, the company has not availed/granted any loans secured or unsecured from/to companies, firms or other parties covered in the register maintained under Section 301 of the Act. Therefore, clauses (iii) (a) to (g) of paragraph 4 of the Order are not applicable to the company for the year.
3. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business with regard to purchase of fixed assets and sale of services. 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.
4. a) To the best of our knowledge and belief and according to the information and explanations given to us, we are of the opinion that the particulars of contracts or arrangements referred to in Section 301 of the Act that need to be entered in the register maintained under Section 301 of the Act have been so entered.
b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements entered in the register maintained under Section 301 of the Act and exceeding the value of rupees five lakhs in respect of any party during the year, prima facie, have been made at prices which are reasonable having regard to the nature of the services and prevailing market prices at the relevant time.
5. The company has not accepted any deposits from the Public during the year.
6. The company has an internal audit system, which in our opinion, is commensurate with the size and the nature of its business.
7. The Central Government has not prescribed the maintenance of cost records under Section 209(1)(d) of the Act.
8. According to the records of the company and the information and explanations given to us, undisputed statutory dues, including Provident Fund, Employees State Insurance, Income tax, Wealth tax and Service tax and other material statutory dues have been regularly deposited during the year with the appropriate authorities. According to the information and explanations given to us, there are no arrears of statutory dues which are outstanding as at 31st March, 2012 for a period of more than six months from the date they become payable.
9. According to the records of the company and the information and explanations given to us, there are no dues of Income tax, Sales tax, Wealth tax, Service tax, Excise duty and Cess which have not been deposited on account of any dispute.
10. The company does not have any accumulated losses at the end of the financial year and has not incurred cash losses during the current financial year.

11. The company does not have any borrowings from the financial institutions or issue of debentures. The company has not defaulted in repayment of dues to the bank.
12. According to the information and explanations given to us, the company has not granted loans or advances on the basis of security by way of pledge of shares, debentures and other securities.
13. The provisions of any special statute applicable to chit fund / nidhi / mutual benefit fund / societies are not applicable to the company.
14. Based on our examination of records and information and explanations given to us, proper records have been maintained of the transactions and contracts relating to dealing in securities and other investments and timely entries have been made therein. The securities and other investments have been held by the company in its own name.
15. In our opinion and according to the information and explanations given to us, the company has not given any guarantees for loans taken by others from banks or financial institutions.
16. The company has not availed term loans during the year.
17. According to the information and explanations given to us, the company has not raised funds on short term basis during the year.
18. According to the information and explanations given to us, the company has not issued debentures during the year.
19. The company has not raised monies by public issue during the year.
20. To the best of our knowledge and belief and according to the information and explanations given to us, during the year no fraud by the company and no fraud on the company was noticed or reported during the course of our audit.
21. In our opinion and according to the information and explanations given to us, the nature of the company's business/ activities during the year has been such that clause ii, xiii, xiv and xviii of paragraph 4 of the Companies (Auditors' Report) Order, 2003 is not applicable to the company for the year.

For **BRAHMAYYA & CO.**,
Chartered Accountants
Firm Registration No. 00511S

L. RAVI SANKAR
Partner
Membership No.25929

Place : Chennai
Date : 11th May, 2012

Balance Sheet

as at 31st March, 2012

(In ₹)

Particulars	Note	March 31, 2012	March 31, 2011
I EQUITY AND LIABILITIES			
1. Shareholders' funds			
a) Share Capital	2	25,00,000	25,00,000
b) Reserves and Surplus	3	1,62,94,893	1,64,21,279
c) Money received against share warrants		—	—
		1,87,94,893	1,89,21,279
2. Share application money pending allotment		—	—
3. Non-Current Liabilities			
a) Long-term borrowings	4	51,33,933	1,90,652
b) Deferred tax liabilities (Net)	5	2,04,716	5,19,370
c) Other long-term liabilities		—	—
d) Long-term provisions	6	4,92,058	—
		58,30,707	7,10,022
4. Current Liabilities			
a) Short-term borrowings	7	—	1,74,14,005
b) Trade payables	8	16,60,623	29,40,702
c) Other Current liabilities	9	7,95,082	16,22,864
d) Short-term provisions		—	—
		24,55,705	2,19,77,571
TOTAL		2,70,81,305	4,16,08,872
II ASSETS			
1. Non-current assets			
a) Fixed Assets			
i) Tangible assets	10	15,70,948	19,70,369
ii) Intangible assets	10	15,34,734	12,35,184
iii) Capital work-in-progress		—	—
iv) Intangible assets under development		—	—
b) Non-current investments		—	—
c) Deferred tax assets (net)		—	—
d) Long-term loans and advances	11	42,14,382	65,60,234
e) Other Non-current assets		—	97,65,787
		73,20,064	97,65,787
2. Current Assets			
a) Current investments	12	23,219	—
b) Trade receivables	13	1,58,40,292	97,83,500
c) Cash and cash equivalents	14	32,22,162	2,19,10,573
d) Short-term loans and advances	15	6,55,568	1,09,012
e) Other current assets	16	20,000	3,18,43,085
		1,97,61,241	40,000
TOTAL		2,70,81,305	4,16,08,872

Significant Accounting policies and Notes to the Accounts 1 to 22

As per our report of even date attached

For **Brahmayya & Co.**,
Chartered Accountants
Firm Registration No. 000511S

L. Ravi Sankar
Partner
Membership No. : 25929

Chennai
11th May, 2012

CALTEC SERVICEZ PRIVATE LIMITED

Sridhar S

Rajesh Venkat

Directors

Profit and Loss Statement

for the Year Ended 31st March, 2012

(In ₹)

Particulars	Note	2011-12	2010-11
INCOME:			
Revenue from operations	17	4,84,05,755	6,63,22,576
Other income	18	13,74,134	11,11,797
Total Revenue	(A)	<u>4,97,79,889</u>	<u>6,74,34,373</u>
EXPENSES :			
Employee benefits	19	2,68,13,642	3,64,21,691
Administrative and other expenses	20	2,09,07,687	2,14,47,526
Finance cost	21	1,56,589	56,946
Depreciation		20,76,237	16,62,297
Preliminary expenses written off		20,000	20,000
Total expenses	(B)	<u>4,99,74,155</u>	<u>5,96,08,460</u>
(Loss)/Profit before Tax	(A-B)	<u>(1,94,266)</u>	<u>78,25,913</u>
Less: Tax Expense:			
Current Tax		2,46,774	24,18,645
Deferred Tax		(3,14,654) (67,880)	19,637 24,38,282
Profit after Tax from continuing operations		<u>(1,26,386)</u>	<u>53,87,631</u>
Earnings per Equity Share :			
Weighted Average Number of Shares considered (Face Value ₹ 10/- per share)		2,50,000	2,50,000
Basic and Diluted earnings per share (in ₹)		(0.51)	21.55
Significant Accounting policies and Notes to the Accounts 1 to 22			

As per our report of even date attached
For **Brahmayya & Co.**,
Chartered Accountants
Firm Registration No. 000511S

L. Ravi Sankar
Partner
Membership No. : 25929
Chennai
11th May, 2012

Sridhar S**Rajesh Venkat**

Directors

NOTES TO THE ACCOUNTS

Note 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 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 revenue and expenses during the period 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 Recognition:

Income from services is recognised on accrual basis.

- 1.3. Fixed Assets and Depreciation:

Fixed assets are stated at historical cost less accumulated depreciation.

Depreciation on assets is provided on the written down value method at rates prescribed in Schedule XIV to the Companies Act, 1956. Assets costing Rs 5,000 or less acquired during the period are fully depreciated.

- 1.4. Valuation of Investments:

Current investments are valued at lower of cost and market value/net asset value

- 1.5. Employee Benefits:

- A) Short Term Employee Benefits

Short term employee benefits for services rendered by employees are recognised during the period when the services are rendered.

- B) Post Employment Benefits:

Defined Contribution Plan

- i) Provident Fund

The Company contributes to a Government administered Provident Fund and Pension Fund under the Employees Provident Fund Act on behalf of its employees.

Defined Benefit Plan

- i) Gratuity

The company accounts its liability for future Gratuity benefits based on an actuarial valuation, as at the Balance Sheet Date.

NOTES TO THE ACCOUNTS (Contd.)

1.6. Taxation:

Current tax is based on the taxable income for the year.

Deferred Tax liabilities arising from timing differences have been fully provided for.

Deferred tax assets are recognized on the consideration of prudence.

1.7. Intangible Assets:

Computer software acquired is recorded as intangible assets and their cost is amortised over their expected useful life of three to five years.

1.8. Provisions:

Provisions are recognized when there is existence of present legal or constructive obligations, as a result of past events, for which it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made for the amount of the obligation.

NOTES TO THE ACCOUNTS (Contd.)

Note 2

SHARE CAPITAL

(In ₹)

Particulars	31.03.2012	31.03.2011
Share Capital		
Authorised:		
2,50,000 Equity Shares of ₹10/- each	25,00,000	25,00,000
Issued, Subscribed and fully paid up :		
2,50,000 Equity Shares of ₹10/- each	25,00,000	25,00,000
	25,00,000	25,00,000

Details of number of shares held by shareholders holding more than 5% shares are set out below:

Name of the Shareholder	Status	No. of Shares	% held as at	No. of Shares	% held as at
		31.03.2012		31.03.2011	
Mr. Dinesh S Kamath	Director	61,250	24.50%	1,25,000	50%
Sundaram Finance Distribution Limited	Holding co.	1,27,500	51.00%	–	–
Ms. Fatima MCrae		61,250	24.50%	1,25,000	50%
Total		2,50,000	100%	2,50,000	100%

Reconciliation of the number of equity shares outstanding at the beginning and at the end of financial year are as follows:

Particulars	31.03.2012	31.03.2011
Opening number of shares outstanding at the beginning of the year	2,50,000	2,50,000
Add: Shares issued during the year	–	–
Less: Shares bought back during the year	–	–
Closing number of shares outstanding at the end of the year	2,50,000	2,50,000

NOTES TO THE ACCOUNTS (Contd.)

Note 3

RESERVES AND SURPLUS

(In ₹)

Nature of Reserve	Opening balance as on 01.04.2011	Addition during the year	Deduction/ Appropriation during the year	Closing Balance as on 31.3.2012
Surplus in Profit and loss account	1,64,21,279	(1,26,386)	–	1,62,94,893

	Opening balance as on 01.04.2010	Addition during the year	Deduction/ appropriation during the year	Closing Balance as on 31.3.2011
Surplus in Profit and loss account	1,12,30,695	53,87,631	1,97,047	1,64,21,279

Note 4

LONG - TERM BORROWINGS

(In ₹)

Particulars	31.03.2012	31.03.2011
Term Loan		
Secured		
From Banks	–	1,90,652
Loans & Advances From Related Parties		
Unsecured		
Loan from Holding Company	51,33,933	–
	<u>51,33,933</u>	<u>1,90,652</u>

The Company has availed loan from a Scheduled Bank secured by charge on the computers. Outstanding as on 31.3.2012 is NIL.

Loan from Holding company is repayable within three years from the date of availment.

Note 5

DEFERRED TAX LIABILITIES (NET)

(In ₹)

Particulars	31.03.2012	31.03.2011
Deferred tax liabilities		
Depreciation	3,56,762	5,19,370
Less: Deferred tax asset - Employee Benefits	1,52,046	–
	<u>2,04,716</u>	<u>5,19,370</u>

NOTES TO THE ACCOUNTS (Contd.)

Note 6

LONG TERM PROVISIONS

(In ₹)

Particulars	31.03.2012	31.03.2011
Provision for Gratuity	4,92,058	—
	<u>4,92,058</u>	<u>—</u>

Note 7

SHORT TERM BORROWINGS

(In ₹)

Particulars	31.03.2012	31.03.2011
Loans repayable on Demand		
Unsecured		
From Banks	—	62,652
Loans & Advances From Directors		
Mr. Dinesh Kamath	—	87,92,518
Ms. Fatima MCrae	—	85,58,835
	<u>—</u>	<u>1,74,14,005</u>

Note 8

TRADE PAYABLES

(In ₹)

Particulars	31.03.2012	31.03.2011
Trade Payables		
For expenses	13,72,062	26,98,148
For Others*	2,88,561	2,42,554
	<u>16,60,623</u>	<u>29,40,702</u>

* There are no amounts due and outstanding to be credited to Investor Education and Protection Fund

Note 9

OTHER CURRENT LIABILITIES

(In ₹)

Particulars	31.03.2012	31.03.2011
Deposits		
From Customers	40,845	4,31,193
From Employees	—	68,750
Service tax payable	5,06,689	9,01,019
TDS Payable	2,47,548	2,21,902
	<u>7,95,082</u>	<u>16,22,864</u>

NOTES TO THE ACCOUNTS (Contd.)

Note 10

FIXED ASSETS

(In ₹)

Sl No	Particulars	Gross Block			Depreciation					Net Block		
		As at 01.04.2011	Additions	Deductions	As at 31.03.2012	As at 01.04.2011	Additions	Impairment	Deductions	Impairment Reversal	As at 31.03.2012	As at 01.04.2011
I	Tangible Assets											
1	Computers	55,25,214	1,71,156	-	56,96,370	39,11,767	7,04,811	-	-	-	46,16,578	10,79,792
2	Furnitures and Fixtures	10,611	-	-	10,611	4,770	1,057	-	-	5,827	4,784	5,841
3	Plant and Equipment	6,56,873	1,87,790	-	8,44,663	3,05,793	52,498	-	-	3,58,291	4,86,372	3,51,081
	TOTAL TANGIBLE ASSETS (A)	61,92,698	3,58,946	-	65,51,644	42,22,330	7,58,366	-	-	49,80,696	15,70,948	19,70,369
II	Intangible Assets											
	Computer software	26,39,112	16,17,421	-	42,56,533	14,03,928	13,17,871	-	-	27,21,799	15,34,734	12,35,184
	TOTAL INTANGIBLE ASSETS (B)	26,39,112	16,17,421	-	42,56,533	14,03,928	13,17,871	-	-	27,21,799	15,34,734	12,35,184
	Total [A + B] (Current Year)	88,31,809	19,76,367	-	1,08,08,176	56,26,258	20,76,237	-	-	77,02,495	31,05,681	32,05,553
	(Previous Year)	76,11,854	13,19,957	-	89,31,811	40,03,961	16,62,297	-	-	56,86,258	32,45,553	36,07,893

NOTES TO THE ACCOUNTS (Contd.)

Note 11

LONG TERM LOANS AND ADVANCES

(In ₹)

Particulars	31.03.2012	31.03.2011
Unsecured, Considered Good:		
Deposits with Customers	7,40,715	5,00,000
Tax deducted at Source*	34,73,667	60,60,234
	<u>42,14,382</u>	<u>65,60,234</u>

* Tax deducted at source is net of provision for income tax of ₹ 26,65,419/- (Previous Year - ₹ 69,86,947/-)

Note 12

CURRENT INVESTMENTS

(In ₹)

Particulars	31.03.2012	31.03.2011
Quoted		
Investments in Mutual fund at cost	23,219	—
<i>1680.19 units in Sundaram Ultra Short term fund at cost of Rs. 13.8192 per unit (Market Value Rs 23,370/-)</i>		
	<u>23,219</u>	<u>—</u>

Note 13

TRADE RECEIVABLES

(In ₹)

Particulars	31.03.2012	31.03.2011
Unsecured, considered good:		
i) Outstanding for a period exceeding six months from due date	9,47,101	8,44,410
ii) Other Debts	1,48,93,191	89,39,090
	<u>1,58,40,292</u>	<u>97,83,500</u>

Note 14

CASH AND CASH EQUIVALENTS

(In ₹)

Particulars	31.03.2012	31.03.2011
Cash on hand	1,748	16,03,111
Balances with banks		
Current Accounts	16,22,491	16,38,276
Deposits	15,97,923	1,86,69,186
	<u>32,22,162</u>	<u>2,19,10,573</u>

NOTES TO THE ACCOUNTS (Contd.)

Note 15

SHORT TERM LOANS AND ADVANCES

(In ₹)

Particulars	31.03.2012	31.03.2011
Unsecured, considered good:		
Deposit with Customer	–	2,000
Service Tax-Input Credit	5,78,503	–
Prepaid Expenses	27,065	57,012
Other Advances	50,000	50,000
	<u>6,55,568</u>	<u>1,09,012</u>

Note 16

OTHER CURRENT ASSETS

(In ₹)

Particulars	31.03.2012	31.03.2011
Preliminary Expenses	20,000	40,000
	<u>20,000</u>	<u>40,000</u>

Note 17

REVENUE FROM OPERATIONS

(In ₹)

Particulars	2011-12	2010-11
Telecalling Services	4,84,05,755	6,63,22,576
	<u>4,84,05,755</u>	<u>6,63,22,576</u>

Note 18

OTHER INCOME

(In ₹)

Particulars	2011-12	2010-11
Dividend Income	6,000	6,000
Interest from Bank deposits	12,63,534	8,62,517
Net gain on sale of Investments	23,219	–
Miscellaneous Income	81,381	2,43,280
	<u>13,74,134</u>	<u>11,11,797</u>

NOTES TO THE ACCOUNTS (Contd.)

Note 19

EMPLOYEE BENEFIT EXPENSES

Particulars	2011-12	2010-11
Salaries, Allowances and Bonus	2,41,34,924	3,37,40,923
Contribution to Gratuity Fund, Provident Fund, ESI Scheme	21,28,123	20,27,819
Staff Welfare Expenses	5,50,595	6,52,949
	<u>2,68,13,642</u>	<u>3,64,21,691</u>

Note 20

ADMINISTRATIVE AND OTHER EXPENSES

(In ₹)

Particulars	2011-12	2010-11
Rent	1,23,00,000	1,23,00,000
Communication Expenses	25,78,763	25,89,735
Vehicle Expenses	1,12,232	1,92,192
Electricity expenses	27,04,920	27,00,000
Insurance	25,267	36,320
Professional Fees	3,17,249	5,49,880
Travelling and Conveyance	8,38,879	8,59,023
Rates & Taxes	29,815	18,900
Recruitment Expenses	5,17,514	16,35,695
Bad Debts	9,28,848	—
Miscellaneous expenses	5,54,199	5,65,781
	<u>2,09,07,687</u>	<u>2,14,47,526</u>

Miscellaneous Expenses includes remuneration to Auditors:

Particulars	2011-12	2010-11
Statutory Audit	75,000	27,575
Tax Audit	25,000	16,545
	<u>1,00,000</u>	<u>44,120</u>

Note 21

FINANCE COST

(In ₹)

Particulars	2011-12	2010-11
Interest on Loan	1,56,589	56,946
	<u>1,56,589</u>	<u>56,946</u>

NOTES TO THE ACCOUNTS (Contd.)

22. GENERAL

22.1 During the year, the company has changed the method of providing depreciation for software. The Company has provided depreciation on software considering the useful life is three years as against earlier method of providing depreciation at 40% on WDV basis. Consequent to the change in method, the depreciation for the year is higher by ₹ 5,10,681 and profit before tax is lower by ₹ 5,10,681.

22.2 Earnings per Share (Basic and Diluted)

(In ₹)

Particulars	2011-12	2010-11
A. Profit for the year after tax (in ₹)	(1,26,386)	53,87,631
B. Weighted Average Number of equity shares of ₹10/-each paid up	2,50,000	2,50,000
C. Basic and diluted earnings per share (in ₹)	(0.51)	21.55

22.3 Related party disclosures, as stipulated by Accounting Standard-AS 18- Related Party Disclosures, are given below:

a) Related Parties:

Ultimate Holding Company:

Sundaram Finance Limited

Holding Company:

Sundaram Finance Distribution Limited

Fellow Subsidiaries:

Sundaram Business Services Limited

Sundaram BNP Paribas Fund Services Limited

Sundaram BNP Paribas Home Finance Limited

Sundaram Asset Management Company Limited

Sundaram Infotech Solutions Limited

Sundaram Trustee Company Limited

Sundaram Parekh Warehousing Services Limited

Sundaram Insurance Broking Services Limited

Professional Management Consultants Limited

LGF Services Limited

Infreight Logistics Solutions Limited

Associate:

Sundaram Mutual Fund

NOTES TO THE ACCOUNTS (Contd.)**b) Related Party Transactions for the year ended 31st March 2012**

The nature and volume of transactions of the company during the year, with the above related parties are as follows.

(In ₹)

Nature of Transactions	Ultimate Holding Company	Holding Company	Fellow Subsidiaries	Total
Income				
Income From Operations				
Professional Management Consultants Limited	—	—	17,54,999	17,54,999
	—	—	—	—
Expenses				
Interest on Loan				
Sundaram Finance Distribution Limited	—	1,52,459	—	1,52,459
	—	—	—	—
Internal Audit Fees				
Sundaram Finance Limited	5,000	—	—	5,000
	—	—	—	—

NOTES TO THE ACCOUNTS (Contd.)

(In ₹)

Nature of Transactions	Ultimate Holding Company	Holding Company	Fellow Subsidiaries	Total
Assets				
Asset - Outstanding Balance as on 31.03.12				
Receivable :				
Professional Management Consultants Limited	–	–	17,02,974	17,02,974
	–	–	–	–
Liabilities				
Share Capital				
Issuance of Equity Shares				
Sundaram Finance Distribution Limited	–	12,75,000	–	12,75,000
	–	–	–	–
Inter Corporate Loan				
Sundaram Finance Distribution Limited				
Availed	–	50,00,000	–	50,00,000
Repayment	–	–	–	–
Internal Audit Fees Payable				
Sundaram Finance Limited				
Availed	5,000	–	–	5,000
Repayment	–	–	–	–
Liabilities – Outstanding Balance as on 31.03.2012	–	–	–	–
Equity Shares	–	–	–	–
Sundaram Finance Distribution Limited	–	12,75,000	–	12,75,000
	–	–	–	–
Inter Corporate Loan				
Sundaram Finance Distribution Limited	–	50,00,000	–	50,00,000
	–	–	–	–
Internal Audit Fees Payable				
Sundaram Finance Limited	5,000	–	–	5,000
	–	–	–	–

No amount has been written off/written back during the year

Previous year figures are indicated in Italics.

NOTES TO THE ACCOUNTS (Contd.)

- 22.4 There are no amounts due to Small Scale Industries in terms of “The Micro, Small and Medium Enterprises Development Act, 2006”.
- 22.5 The presentation in the Balancesheet, Profit and Loss statement and Notes to accounts has been in terms of Revised Schedule VI to the Companies act 1956, which has become mandatory with effect from 01.04.2011. Previous years figures have been regrouped / reclassified wherever necessary to confirm to the current years presentation.
- 22.6 Figures have been rounded off to the nearest rupee.

As per our report of even date attached
For **Brahmayya & Co.,**
Chartered Accountants
Firm Registration No. 000511S
L. Ravi Sankar
Partner
Membership No. : 25929
Chennai
11th May, 2012

Sridhar S
Rajesh Venkat
Directors

CASH FLOW STATEMENT

	2011-12 (₹)	2010-11 (₹)
A) CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit	(1,26,386)	53,87,631
Add: Deferred Tax	(3,14,654)	19,637
Financial cost	1,56,589	56,946
Depreciation	20,76,237	16,62,297
Interest Income	(12,63,534)	(8,62,517)
Dividend Income	(6,000)	(6,000)
Provident Fund Assessment Dues Paid (Dec'03 - Sept'06)	—	(1,97,047)
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	5,22,253	60,60,947
(Increase) Decrease in Non-Current Investments	—	—
(Increase) Decrease in Long term Loans and advances	23,45,852	(18,09,077)
(Increase) Decrease in Other Current Assets	20,000	20,000
(Increase) Decrease in Current Investments	(23,219)	
(Increase) Decrease in Short term Loans and Advances	(5,46,556)	5,01,018
(Increase) Decrease in Current assets	(60,56,792)	41,35,661
Increase (Decrease) in Non-Current Liabilities	4,92,058	—
Increase (Decrease) in Current Liabilities	(1,95,21,866)	(2,32,90,524)
Cash generated from Operations	(2,27,68,270)	86,96,841
Less: Direct Tax Paid	—	—
Financial cost	1,56,589	56,946
NET CASH FROM OPERATING ACTIVITIES (A)	(2,29,24,859)	86,39,895
B) CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(19,76,367)	(13,19,957)
Interest received	12,63,534	8,62,517
Dividend Income Received	6,000	6,000
Purchase of Investments	—	—
Sale of Investments	—	—
NET CASH FROM INVESTING ACTIVITIES (B)	(7,06,833)	(4,51,440)
C) CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Issuance of share capital	—	—
Proceeds from long term borrowings	49,43,281	(5,48,010)
NET CASH FROM FINANCING ACTIVITIES (C)	49,43,281	(5,48,010)
NET INCREASE IN CASH AND CASH EQUIVALENTS (A) + (B) + (C)	(1,86,88,411)	76,40,445
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	2,19,10,573	1,42,70,128
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	32,22,162	2,19,10,573
Note: Cash & Cash Equivalents comprise the following:		
Balances with Banks	32,20,414	2,03,07,462
Cash on Hand	1,748	16,03,111
	32,22,162	2,19,10,573

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