

LGf SERVICES LIMITED

9th ANNUAL REPORT 2012-13



Board of Directors

Paramesh Krishnaier

M. Ramaswamy

G. Sundararajan

Bankers

State Bank of Travancore

ICICI Bank

Auditors

M/s. Brahmayya & Co., Chennai

Chartered Accountants

Registered Office

21, Patullos Road

Chennai 600 002

LGF SERVICES LIMITED

A wholly-owned subsidiary of



SUNDARAM FINANCE LIMITED

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Directors' Report

Your Directors present the Ninth Annual Report and Audited Accounts for the year ended 31st March, 2013.

FINANCIAL RESULTS

Particulars	(` in Lakhs)	
	Year ended March 31, 2013	Year ended March 31, 2012
Profit after tax	79.07	172.47
Add: Surplus of Previous Year	15.60	38.41
Amount available for appropriation	94.67	210.88
Transfer to General Reserve	7.91	50.00
Dividend	50.00	125.00
Dividend Tax	8.50	20.28
Surplus carried to Balance Sheet	28.26	15.60

BUSINESS REVIEW

During the year, your company earned revenue from operations of ₹ 646 lakh as against ₹ 551 lakhs. in the previous year. The profit after tax for the year was at ₹ 79.07 lakhs as against ₹ 172.47 lakhs in the previous year.

DIVIDEND

Your directors are happy to recommend a dividend of ₹ 20 per share (200% on the face value of ₹ 10/-) for the financial year 2012-13 on the paid-up capital of ₹ 25.00 lakhs, as against ₹ 50/- per share (500% on the face value of ₹ 10/-). The dividend together with dividend tax of ₹ 8.50 lakhs absorbs a sum of ₹ 58.50 lakhs.

DIRECTORS

Sri M. Ramaswamy, 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:

- 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 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;

- 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.

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

The provisions of Section 217(2A) of the Companies Act, 1956 are not applicable to the only employee on the rolls of your company.

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.

Paramesh Krishnaier
M Ramaswamy
G Sundararajan
Directors

Chennai 600 002
Date: 20.05.2013

Secretarial Compliance Certificate

Name of the Company : LGF SERVICES LIMITED
Registration No. : U67190TN2004PLC052384
Authorized Capital : ₹ 25,00,000/-
Paid-up Capital : ₹ 25,00,000/-

To
The Members
LGF Services Limited
21, Patullas Road,
Chennai – 600 002.

I have examined the registers, records, books and papers of **LGF 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 **31st March 2013**. In my opinion and to the best of my information and according to the examinations carried out by me and explanations furnished to me by the Company, its officers and agents, I certify that in respect of the aforesaid period:

1. The Company has kept and maintained all registers as stated in Annexure 'A' to this certificate, as per the provisions and the rules made there under and all entries therein have been duly recorded.
2. The Company has filed the forms and returns as stated in Annexure 'B' to this certificate, with the Registrar of Companies, Regional Director, Central Government, Company Law Board or other authorities within the time prescribed under the Act and the rules made there under.
3. The Company is a Public limited Company and has the minimum prescribed paid up capital.
4. The Board of Directors duly met Four (4) times on 21st May 2012, 17th September 2012, 27th December 2012 and 14th March 2013 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 2013.
6. The Eighth Annual General Meeting for the financial year ended 31st March 2012 was held on 02nd July 2012 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 2013.
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 2013.
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 2013.
13. The Company:
 - i) has not effected any allotment / transfer / transmission of securities during the year ended 31st March 2013.
 - ii) has deposited the amount of final dividend for the year 2011-12 in a separate bank account on 04th July 2012 which is within five days from the date of declaration of such dividend.



- iii) has paid dividends to the members within a period of 30 (Thirty) days from the date of declaration during the financial year ended 31st March 2013.
- iv) has no unpaid dividend and hence the question of transfer of dividend to unpaid dividend account does not arise. The Company has not issued fresh shares or debentures and has not accepted any deposits and hence, the question of 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 2013.
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 year ended 31st March 2013.
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 2013.
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 2013.
24. The Company has not made any borrowings during the financial year ended 31st March 2013.
25. The Company has made loans to bodies corporate during the year ended 31st March 2013.
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 year ended 31st March 2013, for offences under the Act.
28. The Company has not received any money as security from its employees during the year ended 31st March 2013.
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: 2nd May 2013

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, 2013

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: 2nd May 2013

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 2013

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 2012
2.	23AC -XBRL & 23ACA - XBRL	220	Balance Sheet and Profit & Loss Account for the financial year ended 31st March 2012.
3.	20 B	159	Annual Return made upto 2nd July 2012 (Date of AGM).

REGIONAL DIRECTOR

NIL

CENTRAL GOVERNMENT & OTHER AUTHORITIES

NIL

Place: Chennai

Date: 2nd May 2013

Malini Seshadri, A.C.S.

No. 5493 CP1323

LGF SERVICES LIMITED

INDEPENDENT AUDITORS' REPORT

To the Members of LGF Services Limited

1. Report on the Financial Statements

We have audited the accompanying financial statements of LGF Services Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2013, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

2. Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting 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 a true and fair view and are free from material misstatement, whether due to fraud or error.

3. Auditor's Responsibility

- a) Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
- b) An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures 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.

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

4. 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 affairs of the Company as at March 31, 2013;
- 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.

5. Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of 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 purpose of our audit.
 - b. In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of 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 written representations received from the directors as on March 31, 2013, and taken on record by the Board of Directors, none of the

directors is disqualified as on March 31, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

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

Place : Chennai
Date : 20th May 2013

Annexure to the Auditors' Report

Referred to in Paragraph 5 of Our Report of Even Date

1. In our opinion and according to the information and explanations given to us, the company has not granted or taken loans to / from companies, firms or other parties covered in the register maintained under Section 301 of the Act. Therefore, the provisions of clauses iii(a) to iii(g) of Paragraph 4 of the Order are not applicable to the company for the 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 by the company. During the course of our audit, no major weaknesses have been noticed in the internal controls and therefore the reporting of the same does not arise.
3. The company has not accepted deposits.
4. The company has an internal audit system which in our opinion, is commensurate with the size and the nature of its business.
5. The Central Government has not prescribed the maintenance of cost records under Section 209(1)(d) of the Companies Act, 1956.
6.
 - a) According to the records of the company and the information and explanations given to us, 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, 2013 for a period of more than six months from the date they become payable.
7. According to the records of the company and the information and explanations given to us, there are no dues of service tax which have not been deposited on account of any dispute. Details of disputed income tax demand, not deposited, are as follows:

Nature of dues	Amount (₹)	Period to which the amount relates	Forum where the dispute is pending
Income Tax	7,58,040	Assessment Year 2011-12	Assessing Officer

8. The company does not have any accumulated losses at the end of the financial year and has not incurred cash loss during the current year.
9. The company does not have any borrowing from financial institutions, banks or by issue of debentures.
10. 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) issued any debentures.
 - e) raised monies by public issue.
 - f) raised monies on short term basis.
11. The company is not a chit fund / nidhi / mutual benefit fund or society.
12. 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 timely entries have been made therein. The securities have been held by the company in its own name.
13. 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.
14. 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, 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
L. RAVI SANKAR
Partner
Membership No.25929

Place : Chennai
Date : 20th May 2013

Balance Sheet

as at 31st March, 2013

(In ₹)

Particulars	Note	March 31, 2013	March 31, 2012
EQUITY AND LIABILITIES			
1) Shareholders' funds			
a) Share Capital	2	25,00,000	25,00,000
b) Reserves and Surplus	3	3,11,17,214	2,90,60,152
c) Money received against share warrants		—	—
		3,36,17,214	3,15,60,152
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	16,772	—
		16,772	—
4) Current liabilities			
a) Short Term Borrowings		—	—
b) Trade payables	5	44,07,559	11,69,739
c) Other current liabilities		—	—
d) Short-term provisions	6	58,54,727	1,45,27,813
		1,02,62,286	1,56,97,552
TOTAL		4,38,96,272	4,72,57,704
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 (net)		6,690	—
d) Long-term loans and advances	7	1,06,69,970	1,17,24,876
e) Other non-current assets		—	—
		1,06,76,660	1,17,24,876
2) Current assets			
a) Current investments	8	—	5,95,164
b) Inventories		—	—
c) Trade receivables	9	2,04,33,253	1,87,56,673
d) Cash and cash equivalents	10	10,90,382	5,16,629
e) Short term loans and advances	11	1,16,91,341	1,56,64,154
f) Other current assets	12	4,636	208
		3,32,19,612	3,55,32,828
TOTAL		4,38,96,272	4,72,57,704

Significant Accounting Policies and Notes to the Accounts - 1 to 18

As per our report of even date attached
For **Brahmayya & Co.**,
Chartered Accountants
Registration Number. 000511S

I Ravi Sankar
Partner
Membership No.25929
Chennai
20th May, 2013

LGF SERVICES LIMITED

Paramesh Krishnaier

M Ramaswamy

G Sundararajan

Directors



Profit and Loss Statement

for the Year Ended 31st March, 2013

(In ₹)

Particulars	Note	2012-13	2011-12
Revenue from operations	13	6,46,41,828	5,50,65,999
Other income	14	14,99,002	14,99,183
Total Revenue	(A)	<u>6,61,40,830</u>	<u>5,65,65,182</u>
Finance Costs	15	8,458	-
Employee benefits	16	164,260	-
Administrative and Other expenses	17	5,43,65,752	3,12,15,229
Total Expenses	(B)	<u>5,45,38,470</u>	<u>3,12,15,229</u>
Profit before Tax	(A-B)	<u>1,16,02,360</u>	<u>2,53,49,953</u>
Tax expense:			
Current tax		37,02,238	81,00,000
Deferred tax		(6,690)	2,558
		36,95,548	81,02,558
Profit after tax		<u>79,06,812</u>	<u>1,72,47,395</u>
Earnings per equity share:			
Weighted average number of shares		2,50,000	2,50,000
Basic		31.63	68.99
Diluted		31.63	68.99
Significant Accounting Policies and Notes to the Accounts - 1 to 18			

As per our report of even date attached
For **Brahmayya & Co.**,
Chartered Accountants
Registration Number. 000511S
L Ravi Sankar
Partner
Membership No.25929
Chennai
20th May, 2013

Paramesh Krishnaier
M Ramaswamy
G Sundararajan
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. The assets and liabilities have been classified as non-current and current based on a twelve month operating cycle.

1.2 Income Recognition:

Income in respect of 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 has accounted its liability towards gratuity in the books.

C) Other Long Term Employee Benefits:

The liability in respect of other long term benefits like Employee Assured Bonus Scheme, reimbursement of medical expenses has been provided.

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 ₹)	
	31.03.2013	31.03.2012
Authorised		
2,50,000 Equity shares of face value of ₹ 10/- each	<u>25,00,000</u>	<u>25,00,000</u>
Issued, Subscribed and fully paid up		
2,50,000 Equity Shares of face value of ₹ 10/- each	<u>25,00,000</u>	<u>25,00,000</u>
Reconciliation of number of shares	Nos.	Nos.
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	—	—
Shares outstanding at the end of the year	2,50,000	2,50,000

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 31.03.2013	No. of Shares	% held as at 31.03.2012
Sundaram Finance Limited*	Holding Company	2,50,000	100%	2,50,000	100%

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

NOTES TO THE ACCOUNTS (Contd.)

Note 3: Reserves and Surplus

(In ₹)

	31.03.2013	31.03.2012
a. General Reserve		
Opening balance	2,75,00,000	2,25,00,000
Add: Transfer from Surplus in the Profit and Loss statement	7,90,681	50,00,000
	<u>2,82,90,681</u>	<u>2,75,00,000</u>
b. Surplus in the Profit and Loss statement		
Opening Balance	15,60,152	38,40,570
Add: Profit for the year from the Profit and Loss statement	79,06,812	1,72,47,395
	<u>94,66,964</u>	<u>2,10,87,965</u>
Less: Appropriations		
Dividend		
Final (Proposed)	50,00,000	1,25,00,000
Dividend Distribution Tax	8,49,750	20,27,813
General Reserve	7,90,681	50,00,000
	<u>28,26,533</u>	<u>15,60,152</u>
	<u>3,11,17,214</u>	<u>2,90,60,152</u>

Note 4 : Long-Term Provisions

(In ₹)

	31.03.2013	31.03.2012
Provision for employee benefits	16,772	—
	<u>16,772</u>	<u>—</u>

Note 5: Trade Payables*

(In ₹)

	31.03.2013	31.03.2012
For Expenses	18,73,881	10,88,692
For Others	25,33,678	81,047
	<u>44,07,559</u>	<u>11,69,739</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 ₹)	
	31.03.2013	31.03.2012
Provision for employee benefits	4,977	–
Others		
– Proposed Dividend	50,00,000	1,25,00,000
– Dividend Distribution Tax	8,49,750	20,27,813
	<u>58,54,727</u>	<u>1,45,27,813</u>

Note 7 : Long-Term Loans and Advances

	(In ₹)	
	31.03.2013	31.03.2012
Advance Income Tax and Tax deducted at source (net of Provision)	1,06,69,970	1,17,24,876

Advance payment of Income Tax and Tax deducted at source is net of provision for Income Tax of ₹ 1,23,33,431/- and Tax payable of ₹ 7,58,040/- (31/03/2012 - Provision for Income Tax ₹ 2,75,88,227/- and Tax payable ₹ 12,33,610/-)

Note 8 : Current Investments -Others

	(In ₹)			
Face Value (In ₹)	As at 31.03.2013		As at 31.03.2012	
	Holding	Cost (In ₹)	Holding	Cost (In ₹)
Unquoted valued at cost				
Investments in Mutual Funds:				
Kotak Floater Short Term	10	–	58,832	5,95,164
Particulars				
Aggregate amount of Unquoted Investments		<u>–</u>		<u>5,95,164</u>

NOTES TO THE ACCOUNTS (Contd.)**Note 9: Trade Receivables**

(In ₹)

	31.03.2013	31.03.2012
Unsecured Considered Good		
More than six months	–	–
Less than six months		
Service Income	2,04,31,754	1,87,41,699
Brokerage	1,499	14,974
	<u>2,04,33,253</u>	<u>1,87,56,673</u>

Note 10: Cash and Cash equivalents

(In ₹)

	31.03.2013	31.03.2012
Balance with Banks in Current Accounts	10,90,382	5,16,629

Note 11: Short Term Loans and Advances

(In ₹)

	31.03.2013	31.03.2012
Unsecured, Considered Good		
Loans and advances to related parties		
To Holding Company	94,00,000	1,53,00,000
Service Tax Input Credit	22,91,341	3,64,154
	<u>1,16,91,341</u>	<u>1,56,64,154</u>

Note 12: Other Current Assets

(In ₹)

	31.03.2013	31.03.2012
Interest Receivable	4,636	208

NOTES TO THE ACCOUNTS (Contd.)
Profit and Loss Statement
Note 13: Revenue from Operations:

	(In ₹)	
	2012-13	2011-12
Service Income	6,45,25,271	5,47,57,040
Brokerage	1,16,557	3,08,959
	<u>6,46,41,828</u>	<u>5,50,65,999</u>

Note 14: Other Income

	(In ₹)	
	2012-13	2011-12
Interest Income	11,05,452	8,24,344
Dividend Income	2,21,177	6,38,162
Net gain on sale of Current investments	7,221	28,679
Other non-operating Income	1,65,152	7,998
	<u>14,99,002</u>	<u>14,99,183</u>

Note 15: Finance Costs

	(In ₹)	
	2012-13	2011-12
Interest	8,458	—
	<u>8,458</u>	<u>—</u>

NOTES TO THE ACCOUNTS (Contd.)

Note 16 : Employee Benefits

(In ₹)

	2012-13	2011-12
Salaries,allowances and Bonus	1,49,666	—
Company's contribution to Provident Fund and Gratuity	8,391	—
Staff Welfare Expenses	6,203	—
	<u>1,64,260</u>	<u>—</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.16

(In ₹)

Particulars	2012-13
Contribution to Provident Fund	2,415
Contribution to Pension Fund	3,787

Note 17: Administrative and Other expenses

(In ₹)

	2012-13	2011-12
Outsourcing cost	3,22,00,667	3,11,07,789
Service Expenses	2,19,95,966	—
Rates and Taxes	43,917	12,729
Miscellaneous Expenses	1,25,202	94,711
	<u>5,43,65,752</u>	<u>3,12,15,229</u>

Miscellaneous expenses include Remuneration to Auditors towards:

(In ₹)

Audit Fee	2012-13	2011-12
Statutory Audit	55,000	55,000
Tax Audit	20,000	20,000
Certification	35,000	—

NOTES TO THE ACCOUNTS (Contd.)

Note 18: General

- 18.1 The operations of the Company are conducted by outsourced personnel.
- 18.2 The company provides business support services for Oriental Insurance Company Limited. There are no separate reportable segments as per Accounting Standard AS 17 'Segment Reporting'.
- 18.3 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

Fellow Subsidiaries:

Sundaram BNP Paribas Home Finance Limited

Sundaram Asset Management Company Limited

Sundaram Trustee Company Limited

Sundaram Finance Distribution Limited

Sundaram Infotech Solutions Limited

Sundaram Business Services Limited

Infreight Logistics Solutions Limited

Professional Management Consultants Limited

Sundaram BNP Paribas Fund Services Limited

Sundaram Parekh Warehousing Services Limited

Sundaram Insurance Broking Services Limited

Caltec Servicez Private Limited

Sundaram Asset Management Singapore Pte Limited (From 06th June 2012)

Sundaram BPO India Limited (From 07th Aug 2012)

NOTES TO THE ACCOUNTS (Contd.)

Related Party Transactions

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	Fellow Subsidiaries	Total
Expenses			
Sundaram Finance Ltd.			
Sourcing Fees	14,42,710 (12,94,955)		14,42,710 (12,94,955)
Service Expenses	2,19,95,966 —		— —
Income			
Infreight Logistics Solution Limited			
Interest on Inter-Corporate loan		— (85,479)	— (85,479)
Sundaram Finance Limited			
Interest on Inter Corporate Deposit	11,05,452 (7,38,865)		11,05,452 (7,38,865)
Assets			
Inter Corporate Deposit			
Sundaram Finance Limited			
Investment	1,15,00,000 (1,68,00,000)		1,15,00,000 (1,68,00,000)
Disinvestment	1,74,00,000 (15,00,000)		1,74,00,000 (15,00,000)
Outstanding at end of the year	94,00,000 (1,53,00,000)		94,00,000 (1,53,00,000)
Inter Corporate loan			
Infreight Logistics Solutions Limited			
Repayment		— (1,00,00,000)	— (1,00,00,000)
Outstanding		—	—

NOTES TO THE ACCOUNTS (Contd.)

Nature of Transactions	Holding Company	Fellow Subsidiaries	Total
Interest Receivable		–	–
Infreight Logistics Solution Limited		–	–
		–	–
Sundaram Finance Limited	4,636 (208)		4,636 (208)
Liabilities			
Sundaram Finance Ltd.			
– Equity Share Holdings	25,00,000 (25,00,000)		25,00,000 (25,00,000)
– Dividend Payable	50,00,000 (1,25,00,000)		50,00,000 (1,25,00,000)
Service Expenses Payable	12,32,701		12,32,701
	–		–
– Sourcing Fees payable	2,61,230 (2,46,908)		2,61,230 (2,46,908)

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

Previous year figures are given in brackets.

NOTES TO THE ACCOUNTS (Contd.)

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

	2012-13	2011-12
18.5 Earnings per share (Basic and diluted):		
A. Profit for the year after taxation (₹)	79,06,812	1,72,47,395
B. Weighted average no. of equity shares	2,50,000	2,50,000
C. Basic and diluted earnings per share (A/B) (in ₹)	31.63	68.99
D. Dividend Proposed/Paid (₹)	50,00,000	1,25,00,000
E. Dividend per share (₹)	20.00	50.00

18.6 Previous year's figures have been regrouped / reclassified wherever necessary to confirm to the current year's presentation.

Signatures to Notes 1 to 18

As per our report of even date attached
For **Brahmayya & Co.,**
Chartered Accountants
Registration Number. 000511S

L Ravi Sankar
Partner
Membership No.25929
Chennai
20th May, 2013

Paramesh Krishnaier

M Ramaswamy

G Sundararajan

Directors



Cash Flow Statement

for the Year Ended 31st March, 2013

(In ₹)

	2012-13	2011-12
A) CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit	79,06,812	1,72,47,395
Add: Provision for Taxation (including Deferred Tax)	36,95,548	81,02,558
	<u>1,16,02,360</u>	<u>2,53,49,953</u>
Less: Net gain on sale of investments	(7,221)	(28,679)
Less: Dividend Income	(2,21,177)	(6,38,162)
Less: Interest Income	(11,05,452)	(8,24,344)
Operating Profit Before Working Capital Changes	1,02,68,510	2,38,58,768
(Increase)/Decrease in Long Term Loans and Advances	6,52,668	(47,90,780)
(Increase)/Decrease in Short Term Loans and Advances	39,72,813	(53,64,802)
(Increase)/Decrease in Trade Receivables	(16,76,580)	(57,51,700)
(Increase)/Decrease in Other Current Assets	(4,428)	1,97,052
Increase (Decrease) in Long Term Provisions	16,772	-
Increase (Decrease) in Short Term Provisions	4,977	-
Increase (Decrease) in Trade Payables	32,37,820	(63,386)
Cash generated from Operations	62,04,042	(1,57,73,616)
Direct Taxes Paid	(33,00,000)	(53,00,000)
NET CASH FROM OPERATING ACTIVITIES (A)	<u>1,31,72,552</u>	<u>27,85,152</u>
B) CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Current Investments	(6,91,82,943)	(7,59,96,370)
Sale of Current Investments	6,97,78,107	8,49,47,522
Interest Received	11,05,452	8,24,344
Dividend Received	2,21,177	6,38,162
Net Gain on sale of investments	7,221	28,679
NET CASH FROM INVESTING ACTIVITIES (B)	<u>19,29,014</u>	<u>1,04,42,337</u>
C) CASH FROM FINANCING ACTIVITIES		
Dividend paid	(1,45,27,813)	(1,45,27,813)
NET CASH FROM FINANCING ACTIVITIES (C)	<u>(1,45,27,813)</u>	<u>(1,45,27,813)</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS(A) + (B) + (C)	5,73,753	(13,00,323)
Cash and Cash Equivalents at the Beginning of the Year	5,16,629	18,16,952
Cash and Cash Equivalents at the End of the Year	10,90,382	5,16,629
Components of cash and Cash Equivalents at the end of the Year		
Current Account with Banks	10,90,382	5,16,629
Cash, Stamps and Stamp Papers on Hand	-	-

As per our report of even date attached
For **Brahmayya & Co.**,
Chartered Accountants
Registration Number: 000511S

L Ravi Sankar
Partner
Membership No.25929
Chennai
20th May 2013

Paramesh Krishnaier

M Ramaswamy

G Sundararajan

Directors