

LGf SERVICES LIMITED

2nd Annual Report 2005-06



Board of Directors

P Viswanathan
Chairman

G Sundararajan

S Srinivasan

Bankers

Kotak Mahindra Bank Ltd.

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
Enduring values. New age thinking.

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Directors' Report

Your Directors present the Second Annual Report and Audited Accounts for the year ended 31st March, 2006.

FINANCIAL RESULTS

(Rs. in Lakhs)

Particulars	Year ended March 31, 2006	Period ended March 31, 2005
Profit after tax	92.64	27.60
Add: Surplus of Previous Year	6.90	-
Amount available for appropriation	99.54	27.60
Transfer to General Reserve	25.00	15.00
Dividend	50.00	5.00
Dividend Tax	7.01	0.70
Surplus carried to Balance Sheet	17.53	6.90

BUSINESS REVIEW

During the year under review, the total commission earned through distribution of insurance products of M/s. Oriental Insurance Company Limited increased substantially to Rs.278.61 lakhs as against Rs. 65.69 lakhs in the previous year. The profit after tax for the year amounted to Rs.92.64 lakhs as against Rs.27.60 lakhs in the previous year.

DIVIDEND

Your company paid interim dividend of Rs.100 per share amounting to Rs.57.01 lakhs (inclusive of dividend tax) for the financial year 2005-06, on the paid-up capital of the company, consisting of 50,000 equity shares of Rs.10/- each fully paid. Your Directors now propose that the interim dividend paid be treated as final dividend for the year.

ISSUE OF BONUS SHARES

Your Directors have great pleasure in recommending capitalisation of Rs.20.00 lakhs out of general reserve and issue bonus shares in the proportion of four bonus shares for every equity share held by the members. Necessary resolution is placed before the members for approval.

DIRECTORS

Sri P. Viswanathan, Director, retires by rotation and being eligible offers himself for re-election.

DIRECTORS' RESPONSIBILITY STATEMENT

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

- i) that in the preparation of the annual accounts, the applicable accounting standards had been followed;
- ii) that they had selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent, so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for that period;
- iii) that they had taken proper and sufficient care for the maintenance of adequate accounting records, in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- iv) that they had prepared the annual accounts on a going concern basis.

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 employees on its payroll. 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 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.

ACKNOWLEDGEMENT

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

For and on behalf of the Board

P. Viswanathan

G Sundararajan

Directors

Chennai 600 002

Date : 22nd May 2006

Auditors' Report

to the Members of M/s. LGF Services Limited

1. We have audited the attached Balance Sheet of M/s. LGF Services Limited, (the Company) as at 31st March 2006, the Profit and Loss Account and the Cash Flow Statement of the company for the year ended on that date, annexed thereto. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
 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 Account 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 Account 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 2006 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March 2006 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 2006;
 - b) in the case of the Profit and Loss Account, 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

L. RAVI SANKAR
Partner
Membership No.25929

Place : Chennai
Date : 22nd May 2006

ANNEXURE TO THE AUDITORS' REPORT REFERRED TO IN PARAGRAPH 3 OF OUR REPORT OF EVEN DATE

1. a) According to the information and explanations given to us, the company has not granted secured or unsecured loans to companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956.
- b) According to the information and explanations given to us, the company has not taken secured or unsecured loan from companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956.
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. 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 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 have prima facie been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
4. The company has not accepted deposits.
5. The paid up capital and reserves of the company did not exceed rupees fifty lakhs at the commencement of the accounting year. Therefore, the company is excluded from the applicability of having 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, income tax was regularly deposited during the period 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 are outstanding as at 31st March, 2006 for a period of more than six months from the date they become payable.
- c) The Central Government has not notified the rules pertaining to the quantum and means of payment of cess payable under section 441A of the Act and therefore, no remittance has been made.
8. According to the records of the company and the information and explanations given to us, there are no dues of income 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 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, 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 during the year.
 - d) issued any debentures.
 - e) raised monies by public issue during the year.
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 securities and timely entries have been made therein. The 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 period 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

L. RAVI SANKAR
Partner

Membership No.25929

Place : Chennai
Date : 22nd May 2006

Balance Sheet

as at 31st March, 2006

Schedule	31.03.2006		31.03.2005	
	Rs.		Rs.	
I SOURCES OF FUNDS				
1. Shareholders' Funds				
a) Capital	1	5,00,000	5,00,000	
b) Reserves and Surplus	2	57,52,982	21,90,352	26,90,352
2. Loan Funds				
a) Secured Loans		-	-	
b) Unsecured Loans		-	-	-
Total		<u>62,52,982</u>	<u>21,90,352</u>	<u>26,90,352</u>
II APPLICATIONS OF FUNDS				
1. Fixed Assets		-		-
2. Investments	3	8,25,457		20,00,000
3. Current Assets, Loans and Advances				
a) Current Assets	4	40,62,016	14,07,616	
b) Loans and Advances	5	88,30,286	17,43,851	
	(A)	<u>1,28,92,302</u>	<u>31,51,467</u>	
Less: Current Liabilities and Provisions				
a) Current Liabilities	6	17,68,141	18,97,142	
b) Provisions	7	57,01,250	5,70,125	
	(B)	<u>74,69,391</u>	<u>24,67,267</u>	
Net Current Assets	(A-B)	54,22,911		6,84,200
4. Miscellaneous Expenditure (to the extent not written off or adjusted)	8	4,614		6,152
Total		<u>62,52,982</u>		<u>26,90,352</u>
Notes to the Accounts	13			

As per our report of even date attached

For **Brahmayya & Co.,**

Chartered Accountants

L.Ravi Sankar

Partner

Membership No.25929

P. Viswanathan

Chairman

G.Sundararajan

Director

Chennai

22nd May, 2006

Profit and Loss Account

for the Year Ended 31st March, 2006

	Schedule	2005-06 Rs.	Period Ended 31/03/2005 Rs.
<u>INCOME:</u>			
Income from Operations	9	2,78,61,374	65,68,686
Other Income	10	36,050	2,236
Total	(A)	2,78,97,424	65,70,922
<u>EXPENDITURE:</u>			
Financial expenses	11	-	16,541
Administrative and other expenses	12	1,39,30,006	21,42,366
Preliminary expenses written off		1,538	1,538
Total	(B)	1,39,31,544	21,60,445
PROFIT BEFORE TAX	(A-B)	1,39,65,880	44,10,477
Less:			
Provision for Income tax -Current		47,02,000	16,50,000
PROFIT AFTER TAX		92,63,880	27,60,477
Balance brought forward from the previous period		6,90,352	-
AMOUNT AVAILABLE FOR APPROPRIATION		99,54,232	27,60,477
<u>APPROPRIATIONS</u>			
Dividend			
- Final (proposed)		-	5,00,000
- Interim		50,00,000	-
- Dividend Tax		7,01,250	70,125
General Reserve		25,00,000	15,00,000
Surplus - Balance carried to Balance Sheet		17,52,982	6,90,352
		99,54,232	27,60,477
Notes to the Accounts	13		
Earnings per share (Basic and diluted):			
Weighted Equity shares used in computing EPS		50,000	12,667
Basic Earnings per Share		185.28	217.92

As per our report of even date attached

For **Brahmayya & Co.,**

Chartered Accountants

L.Ravi Sankar

Partner

Membership No.25929

P. Viswanathan

Chairman

G.Sundararajan

Director

Chennai

22nd May, 2006

SCHEDULES

	Rs.	2005-2006 Rs.	Period Ended 31/03/2005 Rs.
1. Capital			
Authorised 2,50,000 Equity shares of Rs.10/- each		<u>25,00,000</u>	<u>25,00,000</u>
Issued, Subscribed and fully paid up 50,000 Equity Shares of Rs.10/- each (The entire shares are held by Sundaram Finance Ltd and its nominees)		<u>5,00,000</u>	<u>5,00,000</u>
2. Reserves and Surplus			
General Reserve		40,00,000	15,00,000
Surplus- Balance in Profit and Loss account		17,52,982	6,90,352
		<u>57,52,982</u>	<u>21,90,352</u>
3. Investments			
Current Investments			
Unquoted			
Non Trade - At Cost			
In Trust Securities	Face Value		
Sundaram Money Fund - Appreciation Scheme	5,87,280		
58,728 units of face value of Rs.10/- each (Opening Balance - 1,43,471 units 1,28,064 units purchased and 2,12,807 units redeemed during the year) (Market Value = Rs.8,63,783)		<u>8,25,457</u>	<u>20,00,000</u>
4. Current Assets			
Interest Accrued		-	223
Cash and Bank Balances with Scheduled Bank In			
- Current Account		40,62,016	13,82,393
- Deposit Account		-	25,000
		<u>40,62,016</u>	<u>14,07,616</u>
5. Loans and Advances			
Advance Income Tax and Tax deducted at source (net of provision for Income Tax)		4,29,671	9,37,619
Income Receivable		84,00,615	8,06,232
		<u>88,30,286</u>	<u>17,43,851</u>
6. Current Liabilities			
Sundry Creditors			
- Expenses		17,12,365	15,04,077
- Others		55,776	3,93,065
		<u>17,68,141</u>	<u>18,97,142</u>

Rs.	2005-2006 Rs.	Period Ended 31/03/2005 Rs.
7. Provisions		
Interim dividend	50,00,000	5,00,000
Dividend Distribution Tax	7,01,250	70,125
	<u>57,01,250</u>	<u>5,70,125</u>
8. Miscellaneous Expenditure		
Preliminary expenses	6,152	7,690
Less: Written off during the year/period	1,538	1,538
	<u>4,614</u>	<u>6,152</u>
9. Income from Operations:		
Insurance Agency Commission	<u>2,78,61,374</u>	<u>65,68,686</u>
10. Other Income		
Profit on Redemption of Investments	35,586	-
Interest	464	2,236
	<u>36,050</u>	<u>2,236</u>
11. Financial Expenses		
Interest - others	-	16,541
12. Administrative and other expenses		
Sourcing fee	1,38,68,088	20,59,216
Rates and Taxes	5,981	55,854
Miscellaneous expenses	55,937	27,296
	<u>1,39,30,006</u>	<u>21,42,366</u>

SCHEDULE 13
NOTES TO THE ACCOUNTS:
1 SIGNIFICANT ACCOUNTING POLICIES:

1.1 The financial statements are prepared and presented under the historical cost convention on the accrual basis of accounting and comply with the relevant provisions of the Companies Act, 1956 and the Accounting Standards issued by the Institute of Chartered Accountants of India (ICAI), as applicable.

1.2 **Income Recognition:**

Income in respect of Insurance agency commission is accounted on accrual basis.

1.3 **Valuation of Investments:**

Long-term investments are stated at cost, provision for diminution 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 **Taxation:**

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

Deferred tax liabilities on the timing difference are fully provided for. Deferred tax assets are recognised on the consideration of prudence.

1.5 **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 recognised when the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is greater of the assets' net selling price and value in use.

1.6 **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.

1.7 **Preliminary Expenses:**

Preliminary Expenses incurred for the incorporation of the company are written off in five equal instalments.

2. BALANCE SHEET:

2.1 Advance payment of Income Tax and tax deducted at source is net of provision for taxation of Rs.63, 52,000/- (31/03/2005 – Rs.16, 50,000/-).

3. PROFIT AND LOSS ACCOUNT

3.1 The employees of the company are on deputation from Sundaram Finance Limited (the holding company).

3.2 Miscellaneous expenses under "Administrative and Other Expenses" include Remuneration to Auditors towards:

(in Rs.)

	2005-06	For the Previous Period
Statutory Audit	20,000	15,000
Tax Audit	7,000	6,000
Service Tax	3,305	2,142

4. GENERAL:

4.1 The company is engaged primarily in the business of Insurance Agency. There are no separate reportable segments as per Accounting Standard - 17 'Segment Reporting'.

4.2 **Related Party disclosures:** In accordance with the Accounting Standard 18 - 'Related Party Disclosures', issued by ICAI, the details of related parties and the transactions with related parties are given below:

Related Party Transactions:

Holding Company:

Sundaram Finance Limited

Fellow Subsidiaries:

Sundaram Home Finance Ltd.

Royal Sundaram Alliance Insurance Co. Ltd.

Sundaram BNP Paribas Asset Management Company Ltd.

Sundaram BNP Paribas Trustee Company Ltd.

Sundaram Finance Distribution Ltd

Sundaram Infotech Solutions Ltd.

Sundaram Business Services Ltd.

Associate: Sundaram Mutual Fund

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

Nature of Transactions	Holding Company	Associate	Fellow Subsidiaries	Total	Previous Period
Expenses					
Sundaram Finance Ltd.					
– Sourcing Fee	76,85,743	–	–	76,85,743	18,74,000
– Interest	–	–	–	–	16,541
Sundaram Finance Distribution Ltd.					
– Sourcing Fee	–	–	4,63,443	4,63,443	–
Assets					
Sundaram Mutual Fund					
– Investment in Trust Securities	–	18,00,000	–	18,00,000	20,00,000
– Disinvestment in Trust Securities	–	9,74,543	–	9,74,543	–
– Investment in Trust Securities at the end of the year	–	8,25,457	–	8,25,457	20,00,000
Liabilities					
Sundaram Finance Ltd.					
– Dividend Payable	50,00,000	–	–	50,00,000	5,00,000

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

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

4.4 Earnings per share (Basic and diluted):

	For the year ended 31st March 2006	For the period ended 31st March 2005
A. Profit for the year after taxation (Rs.)	92,63,880	27,60,477
B. Total number of equity shares of Rs.10/- each outstanding at the end of the period (in numbers)	50,000	50,000
C. Weighted average no. of equity shares Outstanding	50,000	12,667
D. Basic earnings per share (Rs.) (A/C)	185.28	217.92

4.5 Previous Period's figures have been regrouped / reclassified wherever necessary to conform to current year's classification.

4.6 a) Figures have been rounded off to nearest rupee.

b) The figures for the current year are not strictly comparable with those of the previous accounting period, which was from the date of incorporation i.e. 23rd January 2004 to 31st March 2005.

Signatures to Schedules 1 to 13

As per our report of even date attached

For **Brahmayya & Co.,**

Chartered Accountants

L.Ravi Sankar

Partner

Membership No.25929

P. Viswanathan

Chairman

G.Sundararajan

Director

Chennai

22nd May, 2006

Balance Sheet Abstract and Company's General Business Profile

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

I Registration Details

Registration No.

5	2	3	8	4
---	---	---	---	---

State Code

1	8
---	---

Balance Sheet Date

3	1	0	3	2	0	0	6
---	---	---	---	---	---	---	---

Date

Month

Year

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

Public Issue

		N	I	L		
--	--	---	---	---	--	--

Rights Issue

		N	I	L		
--	--	---	---	---	--	--

Bonus Issue

		N	I	L		
--	--	---	---	---	--	--

Private Placement

		N	I	L		
--	--	---	---	---	--	--

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

Total Liabilities

		1	3	7	2	2
--	--	---	---	---	---	---

Total Assets

		1	3	7	2	2
--	--	---	---	---	---	---

Sources of Funds

Paid up Capital

		5	0	0
--	--	---	---	---

Reserves & Surplus

		5	7	5	2
--	--	---	---	---	---

Secured Loans

		N	I	L		
--	--	---	---	---	--	--

Unsecured Loans

		N	I	L		
--	--	---	---	---	--	--

Applications of Funds

Net Fixed Assets

		N	I	L		
--	--	---	---	---	--	--

Investments

		8	2	5
--	--	---	---	---

Net Current Assets

		5	4	2	2
--	--	---	---	---	---

Misc. Expenditure

				4
--	--	--	--	---

IV Performance of Company (Amount in Rs. Thousands)

Turnover

		2	7	8	6	1
--	--	---	---	---	---	---

Total Expenditure

		1	3	9	3	1
--	--	---	---	---	---	---

+ - Profit / (Loss) Before Tax

<input checked="" type="checkbox"/>		1	3	9	6	5
-------------------------------------	--	---	---	---	---	---

+ - Profit / (Loss) After Tax

<input checked="" type="checkbox"/>		9	2	6	3
-------------------------------------	--	---	---	---	---

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

Earnings Per Share

Rs.

Ps.

		1	8	5	.	2	8
--	--	---	---	---	---	---	---

Dividend Rate %

		1	0	0	0
--	--	---	---	---	---

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

Item Code No. (ITC Code)

N	A
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I	N	S	U	R	A	N	C	E	A	G	E	N	C	Y
---	---	---	---	---	---	---	---	---	---	---	---	---	---	---

CASH FLOW STATEMENT

For Year Ended 31/03/2006

	2005-06 Rs.	2004-05 Rs.
A) CASH FLOW FROM OPERATING ACTIVITIES:		
Net Profit	92,63,880	27,60,477
Add: Provision for Taxation	47,02,000	16,50,000
Preliminary expenses written off	1,538	1,538
	1,39,67,418	44,12,015
Less: Interest Received	(464)	(2,236)
Less: Profit on sale of investments	35,586	-
Add: Financial Expenses	-	16,541
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	1,39,31,368	44,26,320
(Increase)/Decrease in receivables	(75,94,383)	(223)
Increase / (Decrease) in Current Liabilities	(1,29,001)	18,97,142
Cash generated from Operations	(77,23,384)	18,96,919
Preliminary Expenses	-	(7,690)
Financial Expenses	-	(16,541)
Direct Taxes Paid	41,94,052	(33,93,851)
NET CASH FROM OPERATING ACTIVITIES (A)	20,13,932	29,05,157
B) CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Investments	-	(20,25,000)
Sale of Investments (net proceeds)	12,10,129	-
Redemption of Deposits	25,000	-
Interest Received	687	2,236
Dividend Received	-	-
NET CASH FROM INVESTING ACTIVITIES (B)	12,35,816	(20,22,764)
C) CASH FROM FINANCING ACTIVITIES		
Increase in Capital	-	5,00,000
Dividend paid	(5,70,125)	-
Increase (Decrease) in Bank Borrowings	-	-
Increase (Decrease) in long term borrowings	-	-
NET CASH FROM FINANCING ACTIVITIES (C)	(5,70,125)	5,00,000
NET INCREASE IN CASH AND CASH EQUIVALENTS (A)+(B)+(C)	26,79,623	13,82,393
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	13,82,393	-
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	40,62,016	13,82,393
COMPONENTS OF CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD		
Current Account with Banks	40,62,016	13,82,393
Cash, Stamps and Stamp Papers on Hand	-	-

As per our report of even date attached

For **Brahmayya & Co.,**

Chartered Accountants

L.Ravi Sankar

Partner

Membership No.25929

P. Viswanathan

Chairman

G.Sundararajan

Director

Chennai

22nd May, 2006